

Republic of Sudan

Seed Development Project (SDP)

Supervision report

Main report and appendices

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Near East, North Africa and Europe Division
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Abbreviations and acronyms

| | |
|----------|---|
| ABS | Agricultural Bank of Sudan |
| ABSUMI | Agricultural Bank of Sudan Microfinance Initiative |
| ARC | Agricultural Research Corporation |
| IFAD | Annual Work-plan and Budget |
| CDC | Community Development Centre/Committee |
| CCU | Central Coordination Unit |
| CBS | Central Bank of Sudan |
| DG | Director General |
| GoS | Government of Sudan |
| CDC | Community Development Centre |
| FaaB | Farming as a business |
| FFS | Farmer Field School |
| GPG | Grain Producers' Group |
| IFAD | Federal Seed Administration |
| ICB | International Competitive Bidding |
| ICGP | Innovation Challenge Grants Programme |
| MFI | International Fund for Agricultural Development |
| LET | Local Extension Team |
| MoAF | Ministry of Agriculture and Forestry |
| MoFEP | Ministry of Finance and Economic Planning |
| M&E | Monitoring and Evaluation |
| MFI | Microfinance Institution |
| MTR | Mid-term Review |
| NCB | National Competitive Bidding |
| NSC | National Seed Council |
| NK | North Kordofan |
| NRM | Natural Resource Management |
| OFID | OPEC Fund for International Development |
| O&M | Operation and Maintenance |
| OPV | Open Pollinated Variety |
| PCU | Project Coordination Unit |
| PVP | Plant Variety Protection |
| Kordofan | Quality Cost-Based Selection |
| SA | Special Account |
| SCU | State Coordination Unit |
| SDG | Sudanese Pound |
| SGG | Seed Growers' Group |
| Kordofan | Seed Development Project |
| SK | South Kordofan |
| SOE | Statement of Expenditure |
| ToT | Training of trainers |
| UPOV | International Union for the Protection of New Varieties of Plants |
| VAT | Value Added Tax |
| WSRMP | Western Sudan Resources Management Programme |

A. Introduction¹

1. The Supervision Mission of the Seed Development Project (SDP or Project) took place in Sudan from 7 to 22 December 2015. The Mission held consultations in Khartoum starting at the Federal level with Senior Officials of the Government in the Federal Ministry of Agriculture and Forestry (MoAF) the Federal Ministry of Finance and Economic Planning (MoFEP), the National Seed Council, the Federal Seed Administration (FSA) private seed companies, agro-input distributors and other key stakeholders. Field visits took place in the Project areas from 11 to 17 December (see Annex I). During these field visits, the Mission met with Seed Grower Groups (SGGs), Grain Producer Groups (GPGs), the Agricultural Research Corporation (ARC), the Extension sub-teams and the Local Extension Teams (LETs).
2. The Mission wishes to express its appreciation to the representatives of the MoAF and MoFEP and other partners who participated in the supervision mission and contributed to discussions during the field visits and in meetings. The Mission also thanks the SDP coordination team – Project Coordination Unit (PCU) and State Coordination Units (SCUs) of North Kordofan (NK) and South Kordofan (SK) – the extension teams and the communities met for their availability and for the quality of the exchanges.
3. The findings and recommendations of the mission contained in this Aide Mémoire were presented and discussed first at state level on 17 December 2015 with his excellency Kamal Osaman Bella, Minister of Agriculture, Animal Wealth and Rural Development, NK, and representatives of the PCU, SCUs, ARC, North and South Kordofan State Officers as well as other implementation partners, and then at federal level during the official wrap-up meeting on 22 December under the chairmanship of the Director General of International Cooperation of MoFEP with participation from the MoAF, the CCU Senior Coordinator, the PCU, representatives of ARC; representatives of ABS; and representatives of the NK and SK State Ministries of Agriculture.

B. Overall assessment of project implementation

4. The goal of SDP is to improve food security, incomes and resilience to shocks of the smallholder producers (including youth and women) and its development objective is to increase crop productivity for smallholders who adopt certified and improved seeds in NK and SK. The project area is composed of 4 localities: Rahad and Sheikan in NK; Abbassiya and Abu Gubeiha in SK.
5. The Project entered into force in February 2012, completes in March 2018, and comprises four components: Component 1: Strengthening and Development of the Institutional and Regulatory Environment; Component 2: Improvement of the Seed Production System; Component 3: Support Seed Market Development; and Component 4: Project Coordination and Management. The primary target group is smallholder farmers who generally grow less than 15 feddans (6.3 ha) of land, engage in traditional rainfed agriculture as their main source of livelihood, cultivate mainly sorghum, groundnuts, sesame, and cowpea, and have limited access to inputs, assets and services.

¹ Mission composition: : Mr. Michael Turner, Seed Policy Specialist; Mr. Donald Greenberg, Rural Business Specialist; Mr. Robert Delve, Agriculturalist; Mr. Swandeep Sinha, Rural Finance Specialist; Mr. El Fadul Ahmed Ishag, Finance Specialist; Ms Mia Madsen, Associate Professional Officer (APO); Mr Mohammed Hebara, Country Programme Officer; Mr Yonas Mekonen, APO; Mr Mohamed Abdel Latif, Procurement Specialist and Mr. Mikael Kauttu, IFAD Programme Officer and Mission Leader. The IFAD Country Programme Manager (CPM) for Sudan, Mr. Hani Elsadani participated in the meetings with the Government authorities in Khartoum and in the wrap-up meeting at the federal level. On the Government's and Project's side, the following participated in the mission: Mr. Hassan Mohammed Ahmed (Deputy Coordinator of the Central Coordination Unit of IFAD-funded projects); Mr. Hassan Abdulhameed (Agricultural Bank of Sudan, HQ – ABSUMI National Coordinator); Mrs. Fatima Osam (MoFEP); Mr. Khairy Elzubair Abbas (MoAF); Mhasin Elamin Fadlalla (MoAF); Mr. Abdulbagi Mohammed (MoAF); Mrs. Oaima Mohammed Abudlgadir (MoAF – Federal Seed Administration); Mr. Mohammed Yousif Elnour (PCU – Project Coordinator); Mrs. Attika Mohamed Elamin (PCU - Community Development Officer); Mr. Rabie Abd Elatif Rizgalla (PCU – Seed Specialist); Mr. Tarig Amin Abu Elbasha (PCU - Senior M&E Officer); Mr. Abdalla Elbasha (PCU – Rural Finance Officer); Mr. Abdalla Salih (PCU – Financial Controller); Mr. Elshafie Ahmed (South Kordofan State Focal Point – SDP State Coordinator); Mrs. Nawal Adam (South Kordofan State Focal Point – SDP State M&E Officer); Mr. Eltag Mohammed Hussein (North Kordofan State Focal Point - SDP State Coordinator); Mr. Musa Eldaw Mohammed (North Kordofan State Focal Point – SDP State M&E Officer); Mr. Mekki Abdalla Adam (Director General, State Ministry of Agriculture – North Kordofan); Mr. Khalid Mohammed Ali (Head of the department of Extension and Technology Transfer – North Kordofan); Mr. Elsharif Elnour (Director General, State Ministry of Agriculture - South Kordofan); Mr. Abdulsalam Elfaki Subahi (Head of the department of Extension and Technology Transfer – South Kordofan).

6. In its objective to address the main constraints hindering the development of an open market for the seed industry in the Sudan, the project intervenes at three interrelated levels of the seed production and marketing chain by: (i) improving the regulatory framework through stronger implementation of the Seed Act, promulgation of Plant Variety Protection; and capacitating and empowering the Federal Seed Administration to carry out its inspection and control functions effectively and efficiently; (ii) increase the supply of good quality seed and appropriate varieties to smallholder farmers by linking farmers with Private Seed Companies (PSCs); and (iii) enhance the effective demand for certified seeds by smallholder farmers.

7. The total cost of the Project is USD 17.46 million. Financing is as follows: USD 10.07 million from IFAD, USD 4.14 million from the Government of Sudan, USD 2.47 million from seed growers and grain producers, and USD 1.58 million from the Private Sector Company. Disbursement up to December 2015 is SDR 3.5 million including the initial advance and withdrawal applications yet to be processed. This represents 55.2% of the total financing provided by IFAD.

8. The Mission deems that implementation progress has been Moderately Satisfactory. The project revolves around a partnership between farmers and private seed companies (PSCs), the public sector research and extension services, which up till the MTR had failed to take off, but is now on track. The original SDP design for private sector partnership focused on identifying a PSC to buy SGG-produced seed from ARC registered seed, process it, and then market to the GPGs. This original partnership arrangement was not acceptable to the PSCs, and no progress had been made. During the 2014 MTR it was agreed that it be expanded and re-designed to: (i) develop effective demand for a wider range of certified seeds, as well as other key agricultural inputs such as agrochemicals and mechanized services; (ii) improve farmer access to seed and other agricultural inputs, services, and finances; (iii) improve markets for farmers for grain and seeds; and (iv) continue to encourage PSCs to contract for seed production from SGGs, but remove restrictions on the source of registered seed provided to farmers, or the marketing of seed purchased from the farmers by the PSCs.

9. PSCs interviewed during the mission indicated plans to build up their supply chain in NK and SK so that farmers have an opportunity to buy seed and chemicals demonstrated during the 2015 season. This is a dramatic difference from PSC attitudes only one year ago, when the PSCs expressed the opinion that there was little commercial market potential in the rainfed farming areas, and their marketing approach was to focus on sales for the GoS and donor subsidized seed programmes. Moreover, the rural finance activities that in 2014 resulted in only 97 loans, have now started in all project localities with 891 loans disbursed in 2015. The mission deems that the new project concept is valid, and that the Project is on a sound development path.

C. Outputs and outcomes

Component 1 - Strengthening and Development of Institutional and Regulatory Environment

10. **Component Description.** This component is intended to create and strengthen institutional and regulatory frameworks that will provide a favourable environment for a sustainable seed industry. This component will: (i) introduce appropriate legislation for the seed industry particularly in relation to plant variety protection; (ii) improve the capacity of the Federal Seed Administration (FSA) to carry out its legal mandate of seed quality assurance; and (iii) establish a multi-stakeholder forum that brings together Government, the private sector, NGOs and farmers to discuss policy issues on a regular basis and prepare a national seed policy.

11. **Progress in the implementation** of this component is rated **moderately satisfactory**. A new version of National Seed Policy was prepared by a working group of the National Seed Council and this is now with the Minister, pending final review and approval. The Central Seed Testing Laboratory of FSA has been fully refurbished but the equipment tender was complicated and moved very slowly. The lab should be fully commissioned with new equipment installed as quickly as possible because the proposed ISTA accreditation cannot be initiated until the lab is fully operational. The regulatory framework for seeds is unchanged and adequate for domestic purposes. However there is concern to introduce a system of Plant Variety Protection and that would benefit from a new law. The problem of providing seed quality control services in the project area has been resolved.

12. **Development of a National Seed Policy and Plan (NSPP).** The consultation process to prepare a seed policy was initiated at a workshop in January 2014 with the support of IFAD. The first draft based on this workshop was further developed by a working group of the National Seed Council

and was submitted to the Ministry at the end of 2014. This was presented and discussed at a forum held in June 2015 since when there have been no further developments. It is not clear if the policy has general stakeholder support or if some further review is required. It was previously recommended to replace the proposed bi-annual stakeholder meetings with a national seed forum held annually once the policy has been approved. The preparation of a national seed plan will be initiated once the policy is approved. *The mission recommends that the project (i) follows up with the Ministry to ascertain the precise status of the policy (ii) supports any further activities that are required to finalise the policy, including an external review if requested, and to publish it after formal approval (iii) provides support to the next national seed forum at which the implementation of the policy will be discussed.*

13. **National Seed Law.** A comprehensive national seed law is required to facilitate public-private partnership in the seed industry, to provide a legal basis for seed production and marketing, and to empower FSA to carry out its delegated activities in quality control. The Seed Act of 2010 covers both the conventional marketing aspects of seeds and Plant Variety Protection. This Act, together with its subsidiary Regulations of 2012 constitutes an adequate regulatory framework for the domestic seed industry. There was an *expectation* that the Act would also enable Sudan to become a member of the International Union for the Protection of New Plant Varieties (UPOV) and thereby facilitate the exchange of protected varieties with other UPOV members. However, the present Seed Act does not meet the requirements of the UPOV convention and a new PVP Law would have to be prepared for that purpose. *The Mission recommends that to advance the introduction of plant variety protection in the domestic seed industry, the project should provide specific advice to MoAF on the steps that will be required to implement the 2012 Regulations. If the government decides to seek UPOV membership, the project will provide guidance to the National Seed Council on the preparation of a new PVP Law.*

14. **Capacity building for the Federal Seed Administration.** FSA has been seriously weakened over recent years due to a lack of resources and staff recruitment. Improvement of the regulatory framework must be matched with sufficient resources to enforce *the* law and ensure that certified seed is widely available to farmers through field inspection and laboratory testing. The key project contribution to this effort is the refurbishment and equipment of a new National Seed Testing Laboratory in Khartoum. Refurbishment has been completed and the laboratory is now operating with equipment already available. However the tendering process for new equipment was complex and moved slowly; the five bids were received and are now being evaluated. The ultimate goal of ISTA accreditation for the laboratory will take some time to achieve because the quality management manual must correspond exactly with the equipment and procedures used. Some laboratory staff have received training and this remains a high priority in order to gain maximum benefit from the capital investment. *The mission recommends that the Project i) closely monitors the delivery and installation of laboratory equipment in order to minimise further delays; and ii) when fully operational with new equipment, ensure that a laboratory manual is prepared with a view to ISTA accreditation by the end of 2017.*

15. **Strengthening of quality control activities in Kordofan:** SDP requires the services of FSA for field inspection and lab testing, ultimately leading to the certification of the seed produced by SGGs. ARC have a similar requirement for their early generation crops. For these purposes, previous missions have emphasised the need for some FSA staff to be permanently based in Kordofan. This problem was resolved in 2015 by an agreement between the *concerned* parties. The FSA has delegated two staff (a field crop inspector and a seed inspector) that have been conducting crop and seed inspections and certifying seed during 2015. For SDP the area certified in NK is 251 feddans, and in SK 331 feddans. The inspectors also provided services to ASSCO, ARC and a few individuals on a further 2,114 feddans of sorghum, groundnut, pearl millet, sesame, cowpea and watermelon. *The mission recommends that the project i) monitors the implementation of this agreement as a model of devolved quality assurance which may be adopted in other States.*

| Agreed actions | Responsibility | Agreed date* |
|---|-----------------------------------|---------------|
| Complete review of the National Seed Policy and prepare the final policy document for ratification by Government. | PCU/NSC/MoA and State Governments | 01 March 2016 |
| Prepare for the next seed policy forum at which the implementation of the policy will be discussed. | PCU/NSC/MOA | 15 April 2016 |
| a) Seek clarification from the government on its intentions with regard to UPOV membership; b) advise on the preparation of a new PVP law which will enable Sudan to apply for UPOV membership. | PCU//NSC/FSA/MoA | 01 March 2016 |
| | PCU/IFAD | 01 April 2016 |

* The Agreed date represents the date of completion of the activity

Component 2 - Improvement of the Seed Production System

16. **Component Description:** After the MTR in October 2014 the focus of this Component changed slightly to focus on the following: (i) ARC should be capacitated to carry out SGGs and GPGs demand-driven participatory research, (ii) continue their seed multiplication efforts to ensure that sufficient quantities of high quality breeder and foundation seeds are produced and made available to interested private seed companies and SGGs, who want to multiply certified seeds, (iii) the extension services of the State Ministry of Agriculture should be provided with additional training on seed-related aspects and the necessary logistical arrangements, (iv) the SGGs should be re-structured to facilitate access to inputs, finance and crop insurance via ABSUMI and Bara'ah, and (v) a FFS and FaaB curriculum be developed for training of the extension sub-teams and then the SGGs.

17. **Progress in the implementation** is *Moderately Satisfactory*. There have been major improvements in the implementation of this Component since the MTR and the February follow-up mission. ARC no longer produces higher classes of seed for SDP and concentrates now on the participatory research trials and providing TA to **extension**, FFS and demonstration plots. The SDP team has worked hard during the 2015 season and has made progress in linking two PSCs to one of the SGGs in Sheikan who are producing groundnut seed under contract on 250 feddans. The extension sub-teams have provided support to these groups throughout the season.

18. **Agricultural Research Corporation (ARC).** After the MTR restructuring, ARC is no longer contracted to produce higher classes of seeds for SDP. ARC continues to produce seeds for PSCs or farmer groups who may want to produce certified seeds (e.g. sorghum, sesame, cowpea and watermelon). ARC provided technical packages to the extension teams for the demonstrations. SK held a review and planning meeting in May 2015 to review 2014 results and to plan for 2015. This process should be repeated for both ARC teams in 2016.

19. **ARC participatory research.** ARC is conducting on-station research in SK (seven trials) and NK (20 trials) to look at interactions between varieties and technologies before including the most appropriate of these in the participatory trials. For this programme ARC is using a 'mother-baby' trial² approach and in the 2015 season they conducted 237 'mother' trials and 622 'baby' trials. From the brief field visits and discussions during the mission, it is not clear what the quality of the research work is, nor how much the farmers understand the process, or are involved in designing the 'baby' trials. Previous missions recommended that ARC develop an operations manual to guide the participatory research along with a protocol for selecting demonstration sites. *These should be urgently developed*. Eleven ARC staff attended a two-week follow-up training in Ethiopia on participatory research data and gender analysis.

20. **Private Sector Breeding Initiatives.** Private Seed Companies (PSCs) are playing an increasingly important role in producing seed appropriate for small-scale rain-fed farmers, and SDP will increasingly facilitate this process. Although most seeds sold in Sudan are based on ARC genetic materials, PSCs are increasingly involved with breeding of their own varieties. Through SDP, PSCs demonstrated a total of seven entirely new varieties, and an additional two varieties that are improvements to ARC released varieties. Nile Sun, is a member of the ICRISAT sorghum consortium, which entitles it to receive ICRISAT parent lines for breeding. Based on the SDP-financed visit to India (see section 33), Nectar intends to join the ICRISAT pigeon pea consortium, and import hybrid pigeon peas for trials; if successful, they will negotiate for the rights for the parent lines and produce the

² "Mother" plots are large plots that have many different options (e.g. variety x spacing, different varieties, different soil and water conservation practices), they are planted and maintained by participating farmers under the supervision of ARC and extension agents. During the season households visit the mother plot and compare the options as the crop grows and matures, and at the end of the season they select a few options that they want to try on their own land – these are the "babies" of the mother plot. The baby plots are managed by individual farmers under their own conditions on their own farms.

hybrids locally in Sudan. ASSCO has been negotiating with a Turkish producer of hybrid millet to test locally in Sudan; similarly, if trials are successful, they would hope to obtain rights for the parent lines and produce locally. If CTC trials of their hybrid sorghums are successful, they will obtain a license to produce locally in Sudan.

| Agreed action | Responsibility | Agreed date |
|--|----------------|-------------------|
| Produce an operations manual detailing their participatory approaches, including criteria to be used with communities to evaluate the trials | ARC | 15 March 2016 |
| ARC develops with the PCU a protocol for the process of selecting new demonstrations/trials and for evaluating the crops during and at the end of the season, with a particular focus on collecting and analysing sex dis-aggregated data. | ARC | End February 2016 |
| Distribute the article of the baseline data that was recently accepted for publication | ARC | End December 2015 |
| Distribute the report on the 2015 on-station and participatory research results for review | ARC | End March 2016 |

21. **Extension sub-teams.** The two State extension sub-teams comprise a team leader, a seed production specialist, an extension specialist and a women development officer. During the season they provided support to re-structuring the SGGs to fit into the ABSUMI lending model (as per the MTR recommendation) and supported the SGGs in agronomy for seed production. They received training on FaaB (see section 25) e.g. to understand the contracts being offered by the PSCs. It was not possible during the mission to assess the effectiveness of the extension teams and this should be done before the 2016 season planning starts. With only two SGGs in NK, the *mission recommends that the NK SCU re-assign some of the sub-team time to supporting other SDP extension activities along with LETs.*

22. **Seed Grower Groups (SGGs).** Before the 2015 season, the existing SGGs were restructured into 12 SGGs. Sustainability of the groups continues to be low, emphasizing the problems inherent in the project concept to stimulate smallholder seed production in rainfed areas. Despite this, there are encouraging signs of revival (see section 24). In line with its earlier commitments, in early 2015 SDP purchased 251 tons of seed that SGGs had produced in the 2014 season. All of this seed was sold at 15% above the grain price, confirming that PSCs and others were interested in buying certified seeds for onward sale to grain growers, or for further production of certified seeds. This was not the total amount produced as farmers kept some certified seed for their own use or for sale. The mission recommends that the PCU *follow-up to determine the number of beneficiaries accessing this certified seed and the area planted to these crops.*

23. Before the 2015 seasons, the PCU made it clear that it will not purchase seed from SGGs, although it can help broker contracts between SGGs and PSCs. In SK SGGs had no contracts with PSCs, and planted 510 fdd of sorghum and sesame, of which 311 fdd was certified. Two groups in NK had contracts with PSCs for seed production. RANS company gave **eight** tons of groundnut variety Ghubeish to the Um Sa'adein SGG in NK for multiplication on 201 fd (3 fd each) to produce certified seed for the company. ASSCO gave two tons of groundnut variety Ghubeish to the Medium Farmer group, also in Um Sa'adein, for multiplication on 50 fd. Both groups had excellent results due to good management of the crop, and reported yields 40% greater than their other groundnut fields. However, the farmers were not happy with the RANS and ASSCO contracts for two main reasons: a) the farmers' lack of understanding of certain contract benefits (e.g. interest free credit, free transport, tax free sale); b) unrealistic expectations based on previous SDP purchases at commercially unsustainable terms. The FaaB training to be delivered in the coming year will help the farmers to evaluate their options and negotiate. Despite these concerns, the NK SGGs perceived that they profited from the contracts and intend to continue and expand if possible their groundnut seed production.

24. **PSC-SGG seed production in 2016** is expanding. RANS has indicated that they plan to expand their groundnut seed contracts from 450 to 600 fd for the 2016 season, and to contract 100 fd of white sesame. RANS also are exploring the opportunity to establish up to 2000 MT of warehousing facilities in North Kordofan to support their operations. Nile Sun is exploring establishing a seed processing facility in SK and to contract white sorghum production with SGGs and others farmers.³

³ This decision was based at least in part on their observation of SDP's progress with SGGs, as well as what they learned from participation on the SDP-sponsored trip to Indian seed companies, i.e., most depend on a large network of small seed

They expressed willingness to work with the SGGs, but could make no commitment at this early stage in their plans.

| Agreed action | Responsibility | Agreed date |
|--|------------------------------|----------------------|
| Extension teams use improved FaaB curriculum (see below) to review the seed production season with the SGGs to determine successes, profits made, challenges in linking to the PSCs etc. | FaaB Team | End of March 2016 |
| Conduct a survey to track the final destination of the purchased certified seed, number of beneficiaries and area planted. Explore feasibility to hire undergraduate students to conduct the survey. | M and E Team | End January 2016 |
| Prepare and distribute the operational field manual to all SGGs | PCU | 15 March 2016 |
| Review the effectiveness of the extension team and suggest changes needed, if any. | PCU | End of February 2016 |
| Review how best to utilise the trained sub-team to provide TA to the broader SDP program. | PCU | End March 2016 |
| Assist RANS to obtain marketing finance from ABS or other sources | PCU Rural Finance Specialist | End March 2016 |
| Consider support for Nile Sun planned establishment of seed processing facility in SK, possibly through the innovation support grants | PCU, Seed Specialist | End June, 2016 |

25. **Farming As a Business (FaaB)** training is provided to both the SGGs and GPGs. The FaaB consultant conducted joint Training of Trainers for extension officers and community leaders. The farmers interviewed had integrated some key FaaB concepts such as keeping detailed farm records, marketing, and calculating costs and benefits of production. They were less clear on how to develop farm budgets, and how to evaluate various business decisions (e.g., whether to adopt herbicides, whether to invest in storage).

26. More intensive guidance and coaching is required for effective ramp-up and support. Revision to the proposed 2016 FaaB workplan is needed to *integrate it with the agricultural training, to ensure that all training is completed by end of May 2016, and to ensure farmers have time to plan the demonstrations* (see sections 28 and 37). Similarly, the *drafts of the FaaB Manual and the Farmer Handbook should be completed before the season, with field testing during the 2016 season, and completion in early 2017. Business training is also required for the new service provider programme* (see section 38), and draft modules for business training to spraying service providers, mechanized service providers, and agro-dealers/agents will have to be developed by March 2016, field tested, and rolled out in the 2017 season. During the mission an overlap in the curriculum of the FFS and FaaB was noticed and *it was agreed to merge the FFS and FaaB into one curriculum and to roll this out during 2016.*

| Agreed action | Responsibility | Agreed date |
|---|-------------------|----------------|
| Retain international PPP consultant to advise and coach local FaaB consultant | PCU | February, 2016 |
| Strengthen SGG FaaB curriculum and training for SGGs to incorporate analysis of PSC contracts versus local sales. | FaaB consultant | March 2016 |
| Train ToT, extension team members and farmer groups before the 2016 season. | FaaB consultant | May 2016 |
| Retain an additional local part-time FaaB consultant to accelerate dissemination of FaaB training | PCU | February, 2016 |
| Develop service provider training modules for mechanized services, spraying services, and agro-dealers. | FaaB consultants, | March 2016 |
| Merge the FFS and FaaB curriculums into one FaaB manual and update the FaaB workplan | FaaB consultant | January 2016 |
| Complete FaaB training | FaaB consultant | May 2016 |
| Complete draft of Manual and Farmer Handbook | FaaB consultant | May 2016 |
| Revise and complete Manual and Handbook | FaaB consultant | February 2017 |

multipliers for OPVs. Nile Sun has asked that SDP consider support to help them plan and implement this ground-breaking investment.

Component 3 – Support Seed Market Development

27. **Component Description and Overall Assessment.** This component is intended to: (i) develop effective demand for certified seed; (ii) link SGGs and GPGs to financial institutions and input suppliers; (iv) enable the private sector to select the best option for creating a marketing channel for certified seeds (v) empower existing SGGs and GPGs to plan their businesses and access necessary inputs (vi) develop a seed marketing information database. The implementation has started only after MTR 2014, but with very promising results in the review period year. Therefore, overall Progress in the implementation is *Moderately Satisfactory*.

28. **Private Sector Seed Demonstrations.** Four PSCs agreed to partner with SDP to demonstrate crops, varieties, and agronomic packages that were new and potentially appealing to the GPG farmers. The new crops included pigeon peas, watermelon, maize, and sunflower. New varieties of crops had characteristics such as early maturation, striga-tolerance, bird resistance, and increased yield of grain and fodder. A total of 80 plots designed and overseen by the LET and managed by the contract farmers were developed in eight communities, two in NK and six in SK. Land preparation was done by the LETs with hired tractors and using SDP-purchased implements, and in some cases local plant protection agents applied herbicides. In addition, some of the PSC plots were used to demonstrate ARC-developed micro-dosing and animal powered planting/cultivation equipment.

29. The implementation of the PSC demos was generally positive, but with a number of significant problems that should be addressed in the 2016 and later seasons including design of plots, application of technical packages, improved extension support and seed quality. Three major PSC demo field days were held in Rahad in NK and Abbassiya and Tadamon in SK in early November, with wide participation from various project stakeholders. During the field day, there was considerable interest generated among the farmers to adopt improved inputs and practices.⁴ Farmers interviewed during the mission field visits in NK were particularly interested in new, high yielding sorghum OPVs tolerant to striga and sorghum hybrids, conservation tillage package, herbicides, early maturing millet OPVs and sunflower.

30. Despite implementation problems noted above, there has been enthusiasm on the part of the PSCs; all four indicate their desire to continue and expand the demos, and two PSCs indicated their willingness to support the demo process by providing technical training to the LETs and farmers. PSCs interviewed during the mission indicated that the demonstrations have convinced them to begin planning to build up their supply chain in NK and SK so that farmers have an opportunity to buy seed and chemicals demonstrated. This is a dramatic difference from PSC attitudes only one year ago, when the PSCs expressed the opinion that there was little commercial market potential in the rainfed farming areas, and their marketing approach was to focus on sales for the government and donor subsidized seed programs.

31. Some highlights of planned PSC actions to set up commercial marketing operations include: a) ASSCO has hired a sales engineer to be based in Abbassiya in SK, and will set up a retail shop in El Obied in NK; b) Nile Sun is exploring an investment in seed processing line in Abbassiya in SK; and c) Nectar Africa plans to retain a marketing consultant to develop a strategy for marketing to the rainfed sector in Sudan.

32. Key conclusions from the first year of PSC demonstrations: a) LETs require more training and oversight on technical, promotion, and principles of FaaB; b) PCU must consider LET management/staffing changes in localities where problems are acute; c) the use of LETs as service providers and input distributors is ineffective and not sustainable; the teams should focus on oversight, training, and data collection; d) local government crop protection agents do not have the resources to act as service providers on a scalable basis; e) a base of trained, equipped, and financed service providers and input suppliers in the communities needs to be identified, trained where necessary, and linked to suppliers; f) SDP resources and exposure of demos to a greater number of farmers could be leveraged by more active participation by PSCs, and by including equipment and fertilizer companies as well; g) PSC (and SDP) demos need to designed and explained to clearly show the impact of the new practice against current practices; and h) PSC demos as a general rule should be restricted to varieties that will be commercially available by the following planting season.

⁴ More detailed information on how the PSC demonstrations were planned and implemented can be found in the PSC publication "Partnership with PSCs 1 December 2015".

| Agreed action | Responsibility | Agreed date |
|--|----------------------|------------------------------------|
| Continue and expand PSC demonstrations, incorporating recommendations proposed in the Service Provider section | PCU, Seed Specialist | Planning to begin in December 2015 |

33. **Exposure Trip to India.** As agreed during the previous mission, the Seed Specialist organised an exposure trip to India for key players in the seed sectors.⁵ Key lessons learned from the trip include: a) **Commercial hybrid production in India is undertaken primarily by private seed companies**, and the government research organizations largely focus on identifying and maintaining promising parent lines for breeding, OPVs, and crops with little commercial interest (e.g. groundnuts) and; b) **Indian seed companies view the small-scale sector as a very important market**, and have invested in developing products, packaging, and a supply chain to serve this market profitably.

| Agreed action | Responsibility | Agreed date |
|---|----------------|-------------------|
| Provide advocacy to PSCs members of ICRISAT consortium to ensure their access to sorghum germplasm. | PCU | End February 2016 |

34. **Local Extension Teams (LETs).** Six LETs are working with the GPGs (four in SK with 17 staff, and two in NK, with eight staff). LETs support the GPGs by raising their awareness to adopt certified seeds and use improved production practices. Extension approaches focus on demonstrations (e.g. use of certified seeds, improved production practices, mechanized services, water harvesting), as well as linking GPGs to micro-finance and crop insurance. The mission noted variable quality of demonstration plots and recommended improved linkages to ARC and the PSCs for demonstration design and building further the capacity of the LETs. These teams support the 105 GPGs and the 66 restructured GPGs groups on all aspects of agricultural production, linking to the PSC demos, managing the PSC and GPG demos and linking the households to ABSUMI/Bara'ah and crop insurance.

35. LETs have been involved in the commercial distribution of seed and other inputs on behalf of PSCs; this is acceptable as a short-term measure but is not considered sustainable by the PSCs nor the mission. In the 2015 season, LETs were required by SDP to act as service providers for the demonstration plots. Their performance was not satisfactory and it distracted them from their core extension functions.

| Agreed action | Responsibility | Agreed date |
|---|--------------------------|----------------------|
| Review the effectiveness of the LETs and suggest changes needed, if any. | PCU | End of February 2015 |
| LETs should no longer be involved with direct service provision for SDP demos or input distribution for SDP demos, and should focus on implementing the Service Provider program. | PCU, NK and SK LET teams | Immediately |

36. **Grain Producer Groups (GPGs).** The LETs continue to support 105 GPGs, 42 groups from 33 communities in NK and 63 groups from 41 communities in SK. In the initial design, it was foreseen that SDP would reach out to 200 communities where previous IFAD projects would have mobilized the beneficiaries. However, during implementation it was discovered that there were only 105 accessible communities complying with the SDP selection criteria in the Project area, only half of the Project's direct outreach target. Now that the Project has prepared a valid PPP concept, *the mission recommends that the Recipient request to amend the Financing Agreement to include the localities of Um Ruwaba and Rashad as project areas; and form two new LETs to support extension to GPGs in these localities.*

37. **SDP demonstration plots.** In 2015 a more participatory process was used to identify the themes of the demonstrations through community discussions. The planning, implementation, and promotion of these SDP demonstration plots was positive but mixed, with many of the same issues noted earlier in the PSC demonstration plots. In the remaining two growing seasons for SDP, *the mission recommends to incorporate the PSC and SDP demonstrations into one unified demonstration programme following best practices.* This consolidated demonstration plan would have large demonstration sites in a few easily accessible sites, and smaller, much simpler satellite demonstrations in more isolated communities that have a particular focus on locally identified needs.

⁵ This included five PSCs as well as the chairman of National Seed Council, Directors General of the Ministries of Agriculture of NK and SK, the DG of National Seed Administration, a representative of the Sudanese Seed Trade Association, the Directors of El Obied and Kadugli Agriculture Research Stations.

| Agreed action | Responsibility | Agreed date |
|--|---|-----------------------|
| Amend Financing Agreement to include Rashad and Um Ruwaba in the Project area; form two LETs to commence extension activities in these localities. | Recipient, IFAD | 15 February 2016 |
| Review the effectiveness of the extension team and suggest changes needed, if any. | PCU, NK and SK ministries | End of February 2016 |
| Develop a plan to consolidate PSC and SDP demonstrations into a unified SDP seed, input, and mechanized services demonstration program | Seed Specialist with NK & SK focal points | End of February, 2016 |

38. **Private Service Provider Programme.** The experience of SDP to date has shown that relying on the LETs for service delivery for the SDP and PSC demonstrations is neither efficient nor sustainable. Experience has also shown that even when demonstrations convince farmers that improved inputs and agronomic packages are desirable, the demonstrated inputs and services are not readily accessible on cost-effective terms. Therefore, it is *recommended that SDP develop a private sector service provider programme to ensure that farmers have ready access to the inputs and practices are being demonstrated.*

39. Three sets of service providers will be identified and trained by SDP with support from PSC partners⁶: a) Mechanized Service Providers (MSPs); b) Spraying Service Providers (SSPs); and c) Agrodealers.

a) Mechanized Service Providers (MSP) Programme

40. The MSPs will provide land preparation, mechanized planting, weeding (either inter-row cultivation or herbicide)⁷. As recommended in the earlier section, the LETs will no longer act as service providers but will instead help organize and supervise the MSPs, at least in the first season. The equipment provided by SDP to the LETs shall be provided to qualifying MSPs on a rental basis, with the funds used by the LETs to 1) increase their mobility to visit the demonstration sites and farmers 2) to ensure that the equipment is properly maintained and serviced during and at the end of the season. In selected communities near the demonstration sites, up to 30 small-scale farmers will be selected by the LETs to have mechanized services paid for by SDP for one feddan of land. It will be clearly explained to the farmers that this is for one feddan only and for one season only, but they will be free to contract for additional services at the commercially negotiated rates paying cash or borrowing through ABSUMI/Bara'ah. The ultimate goal of the MSP programme is to develop a cadre of rural entrepreneurs providing cost-effective mechanized services to small scale farmers, with the government extension teams providing facilitation and support.

b) Spraying Service Providers (SSP) Programme

41. Up to five male⁸ individuals (farmers, youth) from each village near the demonstration plot will be selected by the LETs to undergo technical training in safe and effective use of herbicides⁹, and in "SSP as a business" training. Training will be coordinated by the LETs, with strong support from agrochemical suppliers (see below).

42. These SSPs will be contracted by SDP to provide spraying services for the SDP plots, and for the up to 30 farmers selected by the LETs, using a very simple streamlined competitive process. It will be clearly explained to the farmers that this is for one feddan only and for one season only, but they will be free to contract for additional services at the commercially negotiated rates paying cash or borrowing through ABSUMI/Bara'ah. The objective of the SSPs is to create and empower a cadre of rural service providers who are commercially sourcing equipment and chemicals, and marketing their services to farmers.

c) Agrodealer Programme

43. PSCs participating in the SDP demonstrations will be allowed to nominate agrodealers based in the project area for the agrodealer program. The PSCs must have or will negotiate stocking arrangements with the nominated agrodealers. The agrodealers will receive technical training in the proper storage and handling of seeds and agrochemicals and in business training. They will be linked

⁶ The term PSCs includes private sector suppliers of seeds, as well as suppliers of agrochemicals and equipment.

⁷ The MSPs may also provide other services such as harvesting or threshing, but these will not be a focus of the programme.

⁸ For health reasons, women of child-bearing age should not be considered as SSPs.

⁹ And pesticides as well although these will not be part of the SDP demonstrations.

with ABS for an inventory financing program, which can supplement any supplier credit programme provided by the sponsoring companies.

| Agreed action | Responsibility | Agreed date |
|--|--|----------------------------|
| Recruitment of a service provider national consultant to implement programme under direct supervision of the seed specialist | PCU | Start recruitment Jan 2016 |
| PSC partnership discussions | International PPP consultant, Seed Specialist, | Start December 2015 |
| Identify and train MSPs and SSPs | PCU, SP consultant, LETs | Feb to Apr 2016 |
| Identify Agrodealers | PCU with PSCs, SP consultant, LETs | Mar to July 2016 |
| Develop training modules for MSPs and SSPs | SP consultant | Jan-Mar 2016 |
| Develop training modules for agrodealers | SP consultant | Mar to July 2016 |
| Negotiate MSP and SSP contracts for SDP demos | PCU | April 2016 |

44. **Innovation Challenge Grants Programme (ICGP).** SDP experience to date has shown that PSCs and other private sector providers of inputs, services and finance (henceforth “ICGP Partners”), given sufficient exposure to international best practices and flexibility in approach, will bring creativity and ingenuity to providing inputs and services to small-scale farmers, as well as contracting with them for the supply of seed and grain. This reflects international experience, and the world-wide trend for development partners and governments to harness private innovation in support of development objectives through the use of innovation challenge grant programs.¹⁰

45. The ICGP will have three main categories, but all with the ultimate objective of sustainably increasing the productivity and income of small-scale rainfed farmers. These three categories, each with examples already discussed in principle with private sector companies, are:

- Grain and Seed Buying Innovation:** Increase the capability of ICGP Partners to buy crops from farmers at terms and conditions favourable to both parties.¹¹
- Marketing/processing innovations.** Support ICGP Partners’ initiatives to develop processing, **marketing**, and supply chain innovations to bring more cost-effective products and services to farmers.¹²
- Introduction of new technologies and methods:** Increase capability of ICGP Partners to **develop** new crop varieties, inputs, and equipment of relevance.¹³

46. In brief, the ICGP would solicit proposals from ICGP Partners that meet one of the three objectives noted above. Awards would be made on a competitive basis, guided by a grants review panel with representation from IFAD, the government, and if relevant either or both of the state governments of SK and NK. For qualifying proposals, SDP would provide matching funds, the amount of which would be based on the strength of the proposal, the estimated impact on smallholder farmer productivity and incomes, and the degree of risk which the firm would incur. Funding could be provided in cash or as in kind contributions. Disbursements would be based on the successful applicants meeting milestones, and in all cases would require upfront expenditures to be made by the companies before any SDP funds or contributions would be disbursed. The details of the ICGP would be contained in an SDP ICGP grant manual to be developed by SDP with assistance from IFAD and international and local consultants.

¹⁰ A recent and relevant example is the DFID-funded Africa Enterprise Challenge Fund (<https://www.gov.uk/international-development-funding/africa-enterprise-challenge-fund>). For more background on challenge funds, see Claudia Pompa “Understanding Challenge Funds”, ODI, October 2013 (<http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9086.pdf>)

¹¹ One example is a groundnut processor/exporter who wishes to set up a buying/processing facility with quality control and aflatoxin testing facilities in NK. Another example is a PSC that is exploring establishment of a seed processing, treatment, and packaging operation in Abbasiya to support seed contracting with SK SGG and other farmers. A third example is Bara’ah’s proposed grain buying and storage operation in SK, discussed in more detail below.

¹² For example, one PSC expressed an interest in importing flexible packaging equipment from India, enabling it to supply pre-treated seeds to small scale farmers on appropriate size packages. At the other end of the scale, is the fabricator in El Obied now producing animal-drawn planters/cultivators on a small scale could receive technical and marketing assistance to improve design and lower costs of production to make them more affordable to farmers.

¹³ One PSC has expressed interest in sending its breeders and seed technicians for advanced training to ICRISAT. Another has expressed interest in working with a Turkish seed company with a hybrid millet to trial in Sudan, and if successful, to produce locally.

| Agreed action | Responsibility | Agreed date |
|--|----------------------------|--------------------|
| Develop ICGP grants manual | SDP with support from IFAD | End April 2016 |
| Public solicitation and review of ICGP proposals | SDP with IFAD and GOS | End June 2016 |
| Award and implementation of proposals | SDP with IFAD | August 2016 and on |

47. **Value Chain and Seed Demand Study (VCS).** While the final draft of this study contains useful information, it is still not in compliance with the TORs and has major gaps which need to be addressed before it is useful to SDP and its key stakeholders in the government and the private sector.

| Agreed action | Responsibility | Agreed date |
|---|------------------------------------|---------------|
| Local consultant team to agree to provide support to an international consultant; contract int'l consultant to complete VCS with support of national consultant team; hold VCS workshops in Khartoum and El Obeid; disseminate results. | PCU, Local value chain consultants | 30 April 2016 |

Rural Finance

48. **Overall progress.** Prior to the MTR, the SDP implementation faced severe rural finance challenges as the project area did not have sufficient rural finance branches and appropriate seasonal loan products were missing. To address this constraint the key recommendations at MTR were (i) starting two new ABSUMI units in Al Rahad and Abu Juibeha localities (ii) disbursement of 1,400 seasonal loans through ABSUMI and Bara'ah (iii) restructuring of the GPG and SGGs to meet ABSUMI and Bara'ah methodologies (iv) implementation of full range of ABSUMI and Bara'ah services in the SDP villages (v) linkage of the seasonal loans to crop insurance services and (vi) development of post-harvest marketing mechanisms. Overall progress is *Moderately Satisfactory*.

49. **Establishment of two new ABSUMI units:** Two new ABSUMI branches have been established, staffed and are fully functional. The procurement of the vehicles for these units by SDP is under process. Meanwhile, SDP has supplied these units with two vehicles each on temporary basis, which was sufficient to cover the seasonal loan management during the 2015 season. As a result of these developments all the project localities now have a source of microfinance supply from one of the three ABSUMI Units or Bara'ah. *The mission recommends that the CCU complete the procurement and deployment of the budgeted ABSUMI vehicles to the new units at the earliest to enable them to meet the 2016 seasonal loan management requirements. SDP should also provide some additional office equipment mainly in the form of computers and projectors and furniture requirements to accommodate the staff expansion of the ABSUMI branches to meet the 2016 targeted portfolio expansion. Similarly, it should assist Bara'ah with partial vehicle operations and maintenance support following the similar approach adopted in 2015.*

50. **Disbursement of seasonal loans:** Against the ambitious target of 1,400 loans set in February 2015, ABSUMI disbursed a total of 890 seasonal loans (63%) during the season. Similarly, against the target of SDG 1.4 million, a total of SDG 0.8 million (57%) was disbursed. This is still a commendable outcome, considering that between February and the start of the lending season in July, ABSUMI established the two new units and formed the lending groups for seasonal loans. For the lending season 2016, *the mission agreed with ABSUMI and Bara'ah on seasonal loan disbursement to a minimum of 2,000 clients to the total amount of SDG 2.5 million.* This means approximately 500 loans disbursed each by the three ABSUMI units and Bara'ah. The loan ceiling will be SDG 1,000 for new clients and SDG 1,500 for repeat clients.

51. **Loan repayment and crop insurance:** Bara'ah has commenced repayments collection and ABSUMI loans are yet to fall due. Strong farmer commitment towards making full repayment was observed during field visits and Bara'ah and ABSUMI are both confident of 100% loan recovery. This is a promising signal considering that low rainfall and insufficient yield has affected some of areas with the seasonal loan clients. SDP facilitated crop insurance for all ABSUMI clients. However, Bara'ah clients were not insured due to shortage of insurance inspectors for timely visit to the more remote Bara'ah locations. Moreover, there is a lack of awareness about the benefits of insurance amongst clients. *The mission recommends timely start to the insurance process in 2016 to cover all ABSUMI and Bara'ah clients. Additionally, SDP should facilitate an awareness campaign on the benefits of crop insurance by insurance partners, Bara'ah and ABSUMI prior to the start of the 2016 season.*

52. **Project driven loans:** At present ABSUMI and Bara'ah regard the seasonal loan product as a pilot initiative implemented to support SDP activities in the SDP villages. Their ownership of the

product as a mainstream loan offering in non-SDP villages has not yet developed. This can be a hindrance for future scaling up of the product. The problem applies more to ABSUMI as SDP has not yet formed and linked women's groups in the SDP to other ABSUMI products as recommended by previous missions. *The mission recommends that SDP seasonal loans should be disbursed (a) only in those villages where women's groups are already linked to ABSUMI's general savings and loan products (b) only to existing women's groups preferably with previous experience of ABSUMI general loans and savings products. Thus, formation of specialized men's GPGs only for seasonal loans should be stopped. However, the existing men's groups which successfully repay the 2015 seasonal loans will be eligible for repeat seasonal loans in 2016. In future, men can still access seasonal loans through the women family representatives in the women's groups. About 70% of the 2016 target of 2,000 seasonal loan clients are recommended in SDP villages and 30% in non-SDP, old Bara'ah/ABSUMI villages to established, and well-performing groups. In order to enable the credit officers to implement the seasonal loan product in non-SDP villages, SDP will train up to 6 credit officers from Bara'ah and each of the three ABSUMI units on relevant agronomic packages. SDP will consider organizing suitable demonstrations in the non-SDP villages where the seasonal loans are active; or arranging for exchange visits for such villages.*

53. Input supply is not strongly linked to the seasonal loans: Of the total funds disbursed for seasonal loans, approximately 10% has been used for financing seeds purchase, 61% for land preparation and 29% for weeding and harvesting. However, the activities supported by the loans did not necessarily support the SDP recommended improved crop production activities. For example, although land preparation was done using tractors, improved cultivation practices were not employed due to the lack of the necessary implements with the service providers. Weeding was done following traditional practices. Therefore, in the absence of proper M&E, it is questionable to what extent SDP promoted practices have benefitted the seasonal loan clients. This is one topic which requires much attention for success of the project. *The mission recommends that the availability of the seasonal agricultural loan should be complemented by farmers' timely access to supply of the certified seeds, relevant agricultural implements and agrochemicals for yield improvement. To enable this in 2016, the four ABS branches in Al Rahad, Sheikan, Abu Juibeha and Abassiya have in principle agreed to finance up to four agrodealers selling certified seeds and agrochemicals and SSPs with maximum loan size of SDG 20,000 following the fulfilment of ABS murabaha lending criteria (refer RF annex). In addition, each of these branches are prepared to finance up to SDG 0.5 million in 2016 to MSPs to encourage them to adopt SDP promoted implements. The SDP rural finance specialist will lead the assistance to shortlisted MSPs, SSPs and agrodealers to help them develop and submit their financing proposals to ABS in a timely manner. These proposals should include details of the overall business model, projected cash flows and the role of ABSUMI seasonal loans in enabling repayment. In 2016, the MDETs will supply MSPs and SSPs with SDP promoted implements and equipment for a fee according to mechanisms detailed in component 2.*

54. Gaps in Post-harvest marketing: The gap in post-harvest grain marketing remains a challenge. As one of the solutions to this constraint, Bara'ah has agreed with the mission to implement a specialized grain marketing *musharaka* product in 2016 which will involve purchasing grains at harvest from the seasonal loans clients, storing, selling and profit sharing with the clients after 4-6 months. In addition, Bara'ah will also purchase surplus certified seeds available with SGGs, store and sell these to seasonal loan clients at the time of sowing. To facilitate these activities Bara'ah will appoint a marketing officer to develop marketing linkages. *The mission recommends that SDP should train the marketing officer in commodity marketing and contractual agreements, link the person to the PPP officer in Khartoum and also provide logistic support for the person's engagement with private sector grain purchasers at local, regional and national levels. In North Kordofan the SDP rural finance specialist will lead discussions and partnership development with other MFIs such as the Sudanese Rural Development Company for implementing the same type of grain marketing product. The project will also link the seasonal loan clients to priority grain purchase by ABS at harvest at higher than market price decided in ABS annual policy 2016.*

| Agreed action | Responsibility | Agreed date |
|--|--|-------------------|
| Disbursement of minimum 2,000 seasonal loans (SDG 2.5 mn) in the project in 2016 with 70% disbursement in SDP villages and 30% non-SDP villages | ABSUMI Units / Bara'ah managers in coordination with SDP extension teams and RF specialist | 1 May – 31 Oct'16 |
| Train 5-6 Credit Officers from Bara'ah and each ABSUMI unit in relevant agronomic packages | ABSUMI/Bara'ah in coordination with LETs and SDP RF specialist | 30 April 16 |
| Conduct SDP demonstrations in the non-SDP villages | SDP LETs | 1 May-31 Dec'16 |
| Increase loan ceiling to SDG 1,500 for repeat clients. | SDP/ABSUMI/Bara'ah management | |
| Maintain SDG 1,000 for new clients | and credit officers | 30 Jun'16 |
| Establish insurance linkage to all ABSUMI and Bara'ah clients | SDP RF expert in coordination with /ABSUMI/Bara'ah | 30 Sep'16 |
| Disbursement of seasonal loan by ABSUMI will be conditional to the prior implementation general ABSUMI savings and credit products to women's groups in any villages | SDP RF specialist in coordination with LETs and ABSUMI | 30 Jun'16 |
| Identify 1-2 MSPs, 3-4 SSPs and agro dealers, per locality, assist in developing their business model and facilitate loan proposal development and submission to ABS | SDP RF specialist in coordination with /ABSUMI/ABS | 30 Apr'16 |
| Facilitate seeds purchase by Bara'ah for selling to seasonal loan clients in May-Jun | SDP RF specialist, LETs | 15 Feb'16 |
| Facilitate musharka grain marketing product implementation by Bara'ah through operations support, training of relevant staff and logistic support | Coordinated by SDP RF specialist | 30 Oct'16 |
| Provide relevant office equipment and furnishing support to the ABSUMI branches | Coordinated by SDP RF specialist | 30 Apr'16 |
| Link seasonal loan clients to grain purchase by ABS at harvest at higher than market price as declared in ABS annual policy 2016. | SDP/ABSUMI/ABS | 30 Dec'16 |

D. Project implementation progress

55. **Project Management** is *Moderately Satisfactory*. The MTR revisions of the project have been well understood by Project management and successfully developed. However, there are many recommendations from the previous supervision and follow up missions that have not received enough management attention and consequently have been implemented late or not at all. Furthermore, the processing of the AWPB for final approval took long.

56. The Lead Project Agency is the MoAF, which chairs the Project Coordination Committee. The same PCC also governs WSRMP and the grant to the Republic of the Sudan for Scaling up the Agricultural Bank of Sudan Microfinance Initiative (ABSUMI). The mission recommends that that two separate coordination committees be formed: one for SDP and another for WSRMP and the ABSUMI Grant, with a composition and specialisation that matches the requirements of each project

57. The management structure of the Project comprises a Project Coordination Unit (PCU), and State Coordination Units (SCUs) embedded in the State Ministries of Agriculture, one in North Kordofan (NK) and one in South Kordofan (SK) that report directly to the PCU coordinator.

| Agreed action | Responsibility | Agreed date |
|---|----------------|-------------|
| Form two separate coordination committees: one for SDP and another for WSRMP and the ABSUMI Grant, with a composition and specialisation that matches the requirements of each project. | PCC | Immediate |

58. **Monitoring & Evaluation (M&E)** is *Moderately Unsatisfactory*. Most recommendations from the 2014 MTR and 2015 follow-up missions still need to be acted upon, most notably conducting the effective seed demand survey; survey of informal seed adoption and dissemination; finalising the selection of RIMS outcome indicators; and developing the seed market database (the mission provided the PCU with a model). The project's three core GPG- SGG- and Areas-¹⁴ databases are not updated. For instance the GPG database does not enable reliable overview of key parameters such as land under production, or even number of beneficiaries and land under production. The mission recommends that these databases be updated as a quickly as possible.

¹⁴ The areas database is updated through a Village Surveys which collects data such as: access to water, distance to market and bigger population centers, access by road, population, livelihoods, willingness of population to join the Project, access to finance, agroservices, agricultural conditions, crops grown and livestock maintained etc.

59. SDP conducts an Annual Survey in January to report on key results indicators e.g. increase in yields derived from improved seed and cultivation practices. For the 2014 season, this was done for demonstrations plots and SGGs. The mission observed however that this data was presented only in summary tables, and there was no trail to actual collected data. For the 2015 season, data collection and presentation should be systematised.

60. The mission recommends to strengthen the link between survey data on yields with the GPG and SGG databases in the future. To this end, the PCU should restructure the GPG and SGG databases to track i) for all group members: core data (land area, social status, gender); and ii) for a sample of group members: production (access to, use and cost of seed and other agro-inputs and services) and marketing data (sales of grain and seed). The mission provided the PCU with a model database to be adjusted for use by the SFUs of NK and SK, and consolidated at PCU level. The mission further recommends to set up a database on all demonstrations.

61. The PCU should draw an M&E plan – with support from short term technical assistance as needed – which comprises a protocol for data collection for above databases detailing among others the selection of samples, time points for data collection (including and beyond the Annual Survey), and responsibilities. In regard of the demonstration database, monitoring should include a frequently updated system for photo-monitoring of plots.

62. The mission observed that the PCU and the SFUs do not have any system that comprehensively identifies the geographical location of the project communities and demonstrations. The mission recommends that the PCU commission technical assistance to acquire a digital overlay map of the project area (e.g. utilising free satellite imagery), roads and villages, and mark the location of all project activities therein by kml or gpx files in a manner that can be freely shared and accessed through freeware such as Google Earth. The mission urges the PCU Senior M&E officer to address the above actions urgently with the help of technical assistance as applicable.

63. **Coherence between AWPB and implementation** is *Moderately Satisfactory*. The PCU sent the first draft of the Project's AWPB to IFAD on 8 January 2015. IFAD no objection was provided on 27 May 2015.¹⁵ *The mission recommends that the 2016 AWPB reviewed in the field will be sent to IFAD as soon as possible to avoid similar delay.* SDP effectiveness in achieving its key target outputs continues to improve, on average standing at 79% in 2015, from 42% on average during Y1 to Y3. The most dramatic increase has occurred in component 3, dedicated to develop seed market. There are however two activities with large budget allocations that are lagging behind and will be paid only in early 2016; i.e. the equipment for the central seed testing laboratory, and vehicle procurement, leading to an achievement of only 35% of the financial budget.

| Agreed action | Responsibility | Agreed date |
|---|------------------------|------------------|
| Conduct the survey on i) effective seed demand to measure rate of adoption of improved seed in GPG communities; ii) informal seed dissemination and local sales; and iii) including a section on constraints in the application and use of the technical packages | PCU Senior M&E Officer | 15 February 2015 |
| Finalise the selection of RIMS outcome indicators. | PCU Senior M&E Officer | 31 December 2015 |
| Conduct the Annual Survey for the season 2015 for GPGs, SGGs and demonstrations. | PCU Senior M&E Officer | 31 January 2015 |
| Finalise the seed market database based on sample provided by the mission. | PCU Senior M&E Officer | 28 February 2015 |
| Adjust and update the GPG, SGG databases and develop a demonstration database. Update the Areas database. | PCU Senior M&E Officer | 31 January 2015 |
| Develop the M&E plan. | PCU Senior M&E Officer | 1 April 2015 |
| Set up the GIS system to monitor location of project key activities, such as GPGs, SGGs, lending groups and demonstrations. | PCU Senior M&E Officer | 1 April 2015 |
| Send 2016 AWPB to IFAD. | PCU Coordinator | 31 December 2015 |

¹⁵ IFAD provided its initial comments on 16 January; to which the SDP after several exchanges formally responded on 13 May, followed by a few comments and subsequent final revisions. Between these days, IFAD provide no objection to activities on an exceptional basis so as not to delay project implementation.

64. **Gender and Youth focus** is *Satisfactory*. Overall women and youth participation in SDP activities is 39% for women and 40% for youth, which meets the design target of at least 30% for women and 20% for youth, and their engagement should be further encouraged. In general, women have participated actively in the dissemination of knowledge through demonstration plots, with more than half of the selected contact farmers (54%) being women. In addition to this access to rural finance through ABSUMI and Bara'ah has had a positive effect on women empowerment.

65. Women involvement in seed production has had positive effects on both women empowerment and household economies. There are however challenges concerning women and youth inclusion in leadership and decision making roles at community level as well as high illiteracy rates among female beneficiaries that hampers their participation in training availed by the project such as FaaB. With regards to capacity building¹⁶ there is a need to further strengthen women and youth through trainings in entrepreneurship.

66. Overall youth participation in farming activities is high, and 80% of the selected contact farmers are classified as youth.¹⁷ Youth beneficiaries are interested in investing more in agribusiness processes and enterprise development but lack sufficient opportunities and funding. Due to poverty and unemployment challenges youth are often forced to seasonally migrate in search of wage labour. This has a negative effect on youth representation in community structures and leadership roles. Therefore further connecting youth with financing opportunities and trainings on entrepreneurship could strengthen the role of youth in targeted communities and lead to increased economic empowerment and youth representation in community structures

67. **Poverty focus** is rated as *Moderately Satisfactory*. Through the SDP project communities' understanding of the importance of improved seed production as a means to generate income and combat poverty has been strengthened. This is indicated by the high awareness of the usage of technical packages in agricultural production and some communities reporting increased productivity and higher incomes from farming activities. Women and youth participation project activities is high and in line with the project objective of specifically targeting women and youth in seed production processes so as to increase their resilience and livelihood opportunities.

68. **Effectiveness of targeting approach** is *Satisfactory*. Targeting in the project is guided by the project design to prioritize communities with experience of seed multiplication from previous IFAD-funded projects, availability of contact farmers, appropriate soils/lands, acceptable rainfall and having Community Development Committees (CDCs). The total number of participants is 8,696, comprising 5,299 males (61%) and 3,397 females (39%) while youth representation from both sexes is 43%.

69. **Innovation and learning** is *Moderately Satisfactory*. Regarding knowledge management activities, SDP has organized two field days where a link between SGGs and GPGs with PSCs was established for the first time. Furthermore, contact farmers have established demonstration farms (supported by both SDP and PSCs) where information about seed production, technical packages and agricultural practices was shared with other beneficiaries. The project initiated cross-learning with the SUSTAIN project regarding certified seeds and experiences from service provision and an exposure visit to SUSTAIN is planned for 2016. In the reporting period SDP has completed two planned studies¹⁸ and is in the final process of producing six short video films with case studies and lessons learned from SGG activities. SDP staff and partners have participated in two exposure visits to India (seed production, microfinance), specialized KM-, documentation and M&E-trainings in Egypt, Ethiopia and Turkey as well as a Learning Route on the Gender methodology GALs in Uganda. Work has been initiated on establishing a KM-strategy to better coordinate KM-activities.

70. **Climate and Environment Focus** is *Satisfactory*. Introduction of drought resistant and early maturing varieties in the project area that is exposed to fluctuation of rainfall patterns will certainly increase community resilience to prevailing environmental conditions such as droughts. Additionally, interventions such as demonstration of improved water harvesting techniques and integration with

¹⁶ Extension teams, technical staff and beneficiaries have all been trained in gender sensitization and women are included in Farmer Field Schools (FFS)- and Farming as a Business trainings (FaaB). Out of 136 participants in FFSs 90 were male and 46 were female. Of 75 participants in Farming as a Business trainings 50 were male and 25 were female. Furthermore women have accessed technical information concerning seed production, and gained confidence to discuss seeds issues. Both men and women have learned distinct and appropriate information of agricultural knowledge and skills, and as a result they have applied practices like seed management, conservation and pest and disease management in their farms.

¹⁷ The project design document defines youth as beneficiaries between 18-35 years old.

¹⁸ Study on information about beneficiaries demands and needs requested by PSCs and a study on the assessment of the restructuring of SGGs and GPGs in 2015.

natural resource management strategies will further conserve natural resources and improve environmental compliance.

E. Fiduciary aspects

71. **Financial management.** The overall financial management is rated Moderately Satisfactory (4).

72. **Organization and staffing:** The staffing of the financial management team for the SDP is adequate. The Financial Controller, the Administrative Officer and Administrative Assistant are discharging fiduciary tasks. Moreover, the Accountant who used to serve both WSRMP and SDP is now assigned full time to SDP alone. All the staff possess the required skills and experience. However, the finance and administrative staff have not yet undertaken the IFAD e-learning modules on finance and procurement, recommended by previous mission. *The mission recommends that project finance staff complete IFAD e-learning training on financial management and submit their certificates to IFAD.* Organization and Staffing is rated

73. **Accounting system:** The project is adopting an access based single entry accounting software, which is capable of producing accounting journals, withdrawal applications, special account reconciliation, and summary financial progress reports. It is observed however, that the system falls short of producing cumulative reports. The project has adopted the previous SM recommendation regarding update of accounting system. The System could now produce detailed periodic financial reports as well as year-end financial statements (FS). However, the Sources and Uses of Funds statement needs to be further updated to capture other sources of funds and their use. *The mission also recommends that finance staff should obtain further training on the system to assist them with trouble shooting system bugs and obtain a simple instructions manual to guide users.*

74. **Reporting and monitoring:** The project prepares and submits annual financial reports. Additionally; quarterly detailed reports are prepared for the purpose of internal review of financial performance. This falls short of meeting IFAD requirements of submitting semi-annual.. The project has prepared a draft semi-annual financial report for FY 2015 but the report was not finalised or submitted. *The mission recommends that quarterly should be kept on hard files along with performance review recommendations, to enable follow of the review recommendations. The mission also recommends that the project prepares and submits a semi-annual report as well as per IFAD General Conditions.*

75. **Internal controls:** The project adopts adequate segregation of duties and authorisation process, and adequate controls are in place for approval, payment and recording of expenditure transactions. The Project Implementation Manual (PIM) has been finalised and approved by IFAD and the project is following it. The project has however, not updated its fixed assets register with assets acquired during the year 2015. The assets are not properly coded or tagged and no custody list of assets is available. The project is adequately managing the project fleet of vehicles. *The mission recommends that the project updates the assets register, establish individual assets codes and tag it on respective assets, establish custody list to be signed by the individual custodians and the administrative officer and carry out physical inventory check as soon as possible for the year 2015.*

76. **Budgeting:** the project continues to abide by a bottom up approach in preparing annual plans and budgets. The AWPB is normally prepared and approved annually. However, the process for FY 2016 is still in draft version to be reviewed by the supervision mission before being submitted for IFAD approval. This has not resulted in delaying the overall project activities. *It is recommended that the preparation of the AWPB for future years starts early enough to ensure being submitted for IFAD review by end of October in order to have the AWPB approved on time.*

77. **Disbursements:** Disbursement of the SDP Grant DSF-8094-SD up to November 2015 is SDR 3,502,358, including the initial advance and withdrawal applications yet to be processed. This represents 55% of the total financing provided by IFAD. Without the unused balance the initial advance disbursement rate is 48%. The project prepared and submitted withdrawal applications covering the period up to July 2015. One withdrawal application (August – October 2015) amounting to approximately SDR 268,600 is being processed and November and December expenditure is yet to be claimed. Thus the project disbursement by end of the FY 2015 is expected to exceed 60%. The project has adopted last supervision recommendation by submitting withdrawal applications every 90 days or when expenditure incurred reaches 30% of authorised allocation. *The mission recommends*

*that the project expedite implementation of the AWPB activities to enhance disbursement of Grant proceeds. Disbursement rates is rated **Highly Satisfactory (6)**.*

78. **Use of SOE and adequacy of supporting documentation:** the mission reviewed SOEs of one withdrawal application amounting to EUR 189,405 representing 19% of withdrawals during the period from previous SM up to October 2015. Review of the sample SOE revealed that the project is abiding by SOE threshold and that adequate documentation is attached to payment vouchers.

79. **Ineligible expenditures:** The mission reviewed items raised by the external audit as ineligible expenditure: (i) the project presented original supporting documentation for SDG 15,250 comprising advance to ARC, (ii) the project presented copy documents for SDG 55,800 regarding advance payment to Federal Seeds Administration (originals should be obtained for project files), (iii) the after service benefits is in line with project by-law approved by project steering committee (the project will discuss the issue further with the National Audit Chamber of Sudan).

80. **SGGs, GPGs and PSCs:** The phasing in of beneficiary contribution for insurance has not started yet due to early stage of rural finance operations. It is recommended that beneficiaries' contributions to be tracked, recorded and reflected in the on project's disbursement/financial reports and financial statements when they materialise. The PSC contribution was important to monitor under the original design so as to see whether the grants are reciprocated. However, it is no longer applicable under the revised approach as per the MTR 2014.

81. **Counterpart funds:** Government counterpart funds are dedicated for payment of custom duties VAT, agricultural insurance as well as contributions towards recurrent cost. (i) The project cumulative expenditure financed by GOS cash transfers to date is USD 319,302 representing 8% of allocated GOS contribution for the project life. (ii) GOS expenditure on duties and VAT exemption, usually paid directly by GOS without being reflected on the project records, is estimated at USD 838,000 on imported project vehicles only. This could push the GOS contribution rate to 28% had the amounts of customs duties been captured on project financial reports -as part of the Government contribution. The project is still unable to obtain the actual figures from MoFEP despite repeated request from the project and supervision missions in this respect. During the year 2015, the government contribution towards recurrent costs is flowing to the project on regular basis; mainly for top-up of the project staff salaries and operating expenses. The agricultural insurance premium, proposed to be paid by GOS and beneficiary contribution has not started this cropping season. The total amount of this item is USD 1.57 million for the project life. *The project is recommended to (i) keep on following with the federal MoFEP to ensure continuous flow of counterpart fund to the project account, (ii) Also together MoFEP the project should work to ensure provision of formal information/ figures related to exemptions of customs duties VAT of the project imported goods to be incorporated in the counterpart contribution.* Counterpart funding is rated *Moderately Satisfactory (4)*.

82. **Compliance with Grant covenants** is rated as *Moderately Satisfactory (4)*. The project and Recipient have complied with all Grant covenants with exception of procurement which was rated as moderately satisfactory. Appendix 6 to this report shows the status of compliance with Grant covenants.

83. **Internal Audit:** As indicated in the previous supervision report, the project does not have the availability of internal audit function as it was not envisioned in the project design. Also the internal audit function in the MoAF does not conduct internal audit on any of IFAD Project in Sudan.

84. **Proceeds of Seeds Purchased and Distributed by the Project:** Proceeds from sale of seeds purchased from SGG during the period from year 2013 to year 2015 amounted to SDG 1,411,371.5. Cost of purchase, transportation, processing and storage of seeds was SDG 554,047 and net proceeds are SDG 857,324.5. Following recommendation of the previous supervision mission, the project is keeping this money in the project operating account at CBoS, El Obeid branch. The project is also maintaining a register to record purchases, other related cost and proceeds of sales. The project is planning to apply net proceeds for related activities during FY 2016. *The mission recommends that the project should maintain a separate file for transactions of this activity to for easy monitoring and review.*

85. **Audit Quality and Timeliness:** The audit report for FY 2014 was unqualified and was submitted before 30 June 2015 – timely by the IFAD deadline. The audit was conducted by the Sudan National Audit Chamber, following the International Audit Standards (ISA). However, the report did not provide a separate opinion on the SOEs and Designated Account -as required by IFAD guidelines for

audit purposes, although statements of the Designated Account and the SOEs are embedded within the opinion on the financial statements. Audit report recommendations either been implemented or are to be discussed further with auditors to explain project standpoint thereon. Compliance with audit requirements is rated as *Moderately Satisfactory* (4).

| Agreed action | Responsibility | Agreed date |
|---|-------------------|----------------------------|
| Conduct e-learning training (finance and procurement modules) for PCU finance/admin staff | Related staff/PPC | March 2016 |
| Conduct short training for finance staff to enable simple trouble-shooting on FM system/ | FM staff/PPC | January 2106 |
| Prepare and submit semi-annual financial report to IFAD | FC/PPC | July 2016 |
| Update assets register and undertake physical inventory at PCU and SCU level | Admin officer/PPC | January 2016 |
| Prepare and submit next year AWPB early enough to ensure early approval by IFAD | PCU/PPC | November 2016 / continuous |
| Obtain and record figures of customs duties/tax exemptions | PCU/MoFEP | Jan 2016/ continuous |
| Maintain separate records for Seed proceeds/costs | FC/PPC | Jan 2016/continuous |
| Prepare and submit FS to enable early start of audit exercise | FC/PPC | February 2015 |

Procurement

86. Overall, the performance of procurement is considered to be *Moderately Satisfactory*.

87. Procurement processes continue to follow the same approach, envisioned at project design with the CCU carrying out all large procurement transactions that use National Competitive Bidding (NCB), International Competitive Bidding (ICB), and Quality and Cost Based Selection methods. Other procurement methods are managed at the PCU, which is responsible as well for the preparation and update of the procurement plan.

88. **Procurement at the CCU level.** The 2015 procurement plan included four procurement transactions to be handled by the CCU. Of these, contract has been awarded on two procurements, yet to be completed. The PCU undertook the third procurement in lieu of the CCU using national shopping so as to avoid delays in the implementation. CCU has prepared the documentation on the fourth, but call for tenders had not started yet. It is worth mentioning that the procurement of the project vehicles (one of above transactions) is being carried out through procurement from UNOPS (on exceptional basis) due to previous experience with weak market response and exceptionally high process as well as time constraints.

89. The CCU is currently recruiting an additional procurement officer using a competitive selection process. After long delay, the selection committee report was sent to IFAD on 8 December, 2015.

90. **Procurement at the PCU level.** The PCU has succeeded in making good progress with respect to improving its implementation capacity (mainly goods procurement transactions), compliance with IFAD Procurement Guidelines; such as compliance with procurement method procedures, IFAD prior review thresholds, and filing system. However, the mission noted two cases where no objection was not requested. The SDP management needs to send justification for IFAD for consideration for ex-post no-objection, and avoid such practices in the future.

91. **Procurement Planning.** The preparation of the procurement plan has improved significantly with adoption of a format that allows sensible procurement planning. The 2015 procurement plan was found to meet the basic requirements. However; the mission noted the following weaknesses: (i) non-timely implementation; and (ii) lack of update of PP with regard to actual implementation and revisions. The mission provided a series of suggestions to further improve these points, including updates of the procurement plan at least on quarterly basis to include all procurement activities as well as any necessary changes to reflect implementation realities. The updated plan should be sent to IFAD for no objection.

92. **Contract Register.** The mission reviewed the project register of contracts on a sample basis. The mission noticed the following: (i) the payment status in the register maintained by the procurement officer is not updated; (ii) the descriptions of the procurement activities are not clear; (iii) some important information is missing, such as financing category number, reference to the approved PP/AWPB and paid and remaining balance on contract. The mission recommends that the PCU should update the contract register to address the above points.

93. **The procurement filing system.** The mission was pleased to find that the PCU has started to establish a dedicated procurement filing system, however it is limited only to the year 2015 procurement activities but not previous years, and in some cases it does not include all the relevant documents. In line with good procurement practices, the mission recommends that the PCU extend the filing system to include procurement transactions from previous years.

94. **Procurement post review** was conducted on a sample basis for the contracts carried out over 2015 on seven contracts. Based on the findings, the PCU should focus on the following: (i) avoid use of direct contracting unless explicitly mentioned in the procurement plan and cleared in advance by IFAD; and (ii) procurement methods in the procurement plan should be followed strictly.

| Agreed action | Responsibility | Agreed date |
|--|-------------------------|-----------------------|
| Use Standard Bidding Document for shopping for the local shopping transactions | PCU Procurement Officer | Immediately |
| Adhere strictly to IFAD guidelines with regard to shopping, direct recruiting and selection of consultants | PCU Procurement Officer | Immediately |
| Update the procurement plan on a continuous basis. | PCU Procurement Officer | 20 Dec. 2015, ongoing |
| Finalise recruitment of additional procurement officer at the CCU | CCU Coordinator Officer | 1 Jan. 2016 |
| Update the register of contracts to contain all important information | Procurement Officer | 1 Feb. 2016 |
| Extend the filing system to include procurement transactions from previous years . | PCU Procurement Officer | 1 March 2016 |

F. Sustainability

95. **Institutions building** is *Moderately Satisfactory*. The Project strengthens institutional structures at national level so that they can provide better support to the Project activities, and to the seed industry of Sudan as a whole. The main physical investment is the refurbishment and equipment of a new Central Seed Testing Laboratory in Khartoum, which will greatly improve the capability of FSA to carry out its mandate of seed quality control. Although this work has moved slowly, it is now under way; building work is finished and the equipment will be installed soon. The National Seed Council, established under the Seed Act of 2010, has been very active and has initiated the process for developing a National Seed Policy, which is one of the key objectives of Component 1.

96. **Empowerment** is rated as *Moderately Satisfactory*. The empowerment of project beneficiaries has gone through important steps including the organization of SGGs, GPGs with microfinance linkages to ABSUMI and Bara'ah. Beneficiaries have been trained and capacitated with skills and technical packages for improved agricultural practices, linked to PSCs through seed production contracts, on-farm demonstration plots and two joint field days in 2015 where beneficiaries, extension teams and PSC participated. In the future there is a need to further strengthen the link between farmers, PSCs and potential markets. In discussions with communities it became clear that in some villages community members don't have the practice of selling grains or farm products in bulk, nor do they use common storage or jointly transport products to remote markets where profit gains are likely to be higher.

97. **Quality of beneficiary participation** is *Moderately Satisfactory*. SDP beneficiaries can be categorised into three groups: small producers, ARC and PSC. Locality extension teams are the medium through which awareness around productivity enhancing technologies is raised and they play a fundamental role in fostering effective and timely participation from stakeholders. One salient platform where key project stakeholders meet and interact in a structured arena for an entire agricultural season are the demonstrations sites and field days led by SDP and PSCs.

98. **Responsiveness of private sector partners** is *Moderately Satisfactory*. SDP has made great strides in brokering innovative public-private business relationship between private seed companies and MFIs. Away from direct value chain interventions, efforts to attract PS partners has resulted in the signing of six Memorandums of Understanding (MoUs)¹⁹. In view of the SDP's expansion plan in ABSUMI villages, and the projected increased demands for a large spectrum of services, PS's

¹⁹ Two with financial services institutions -ABSUMI and Bara'ah- and four with Private Seed Companies; Nile Sun Enterprise, Nectar Group, CTC for Agrochemicals and ASSCO, the Arab Sudanese Seed Company.

barriers to entering new markets are being lowered, thus laying the foundation for even greater PS responsiveness in the near future.

99. **Exit strategy** is *Moderately Satisfactory*. The sustainability of extension team support to SGGs and GPGs is questionable in view of limited government resources, as witnessed by the chronic shortage of counterpart funds. The mission has recommended a strategy to create capacity of PSCs, service providers (for mechanisation and agrochemicals) and finance institutions to reach out to farmers (see sections 38 and 52). An exchange visit to the IFAD financed SUSTAIN project is recommended to learn from its approach to establish such linkages.

100. **Potential for scaling up and replication** is *Moderately Satisfactory*. The project private sector engagement strategy was revised at MTR. The developing private sector engagement and budding sustainable links between the SGGs and GPGs and other actors in the value chain is promising. While the new private sector model clearly has potential for scaling up, it is still too early to conclusively assess with certainty the prospects of success within the project completion period.

G. Impact

101. Despite the late stage of the project, the revisions made to the project during 2014 MTR imply that it is early to measure project impact. Moreover, due to lack of M&E data, there is little reliable documentation of yield increases. Anecdotal evidence collected during the mission's discussions with GPGs, SGGs and farmers involved in demonstrations suggest significantly increased yields from the combinations of certified seed, improved management practices and chisel ploughing. For instance, in one demonstration, groundnut yields were 100%-200% higher than yields on the farmers' own lands using traditional methods. For most sorghum demonstrations, farmers did record 50%-100% higher yields. The interest for the demonstrations is significant both on the side of the PSCs and farmers. This bodes well for adoption of seed and improved packages by farmers in the 2016 season.

H. Conclusion

102. Due to the lack of a functional private sector strategy, the Project had stalled until the MTR in October 2014. Since then, Project management has successfully engaged the PSCs in line with the key agreements of the MTR and follow up missions. The next challenge is to expand the project to more communities to achieve the outreach foreseen during design, and promote sustainable linkages between farmers and providers of agro-services and inputs:

- a) **Seed policy.** The Seed Policy should be finalised and endorsed. SDP will support the Seed Council as needed e.g. by availing financial resources for international consultancy. In connection with finalising the seed policy, the Seed Council and Government should determine whether Sudan wishes to apply for UPOV membership and revise the seed law accordingly.
- b) **Expand demonstrations.** Four PSCs agreed to partner with SDP in 2015 to demonstrate crops, varieties, and agronomic packages that were new and potentially appealing to the GPG farmers. Despite some implementation problems, there is a strong commitment on part of the PSCs to expand demonstrations. In the same time, there is significant interest among farmers for the demonstrated varieties and packages. In 2016 demonstrations will be expanded to strategic locations, and field visits organised to expose farmers in neighbouring communities to the demonstrations.
- c) **Create sustainable linkages for service provision.** SDP and international experience shows that the use of extension teams as service providers and input distributors is ineffective and not sustainable. The SDP will develop a private sector service provider programme to ensure that farmers have ready access to the inputs and practices that are being demonstrated. This will ensure provision and expansion of services and inputs after the completion of project.
- d) **Foster innovation to link smallholder farmers with entrepreneurs.** SDP experience to date has shown that PSCs and other private sector providers of inputs, services and finance given sufficient exposure to international best practices and flexibility in approach will bring creativity and ingenuity to providing inputs and services to small-scale farmers, as well as contracting with them for the supply of seed and grain. The SDP will launch a

competitive grant programme to solicit proposal from PSCs and other private sector actors for innovative business initiatives with strong linkages to smallholder farmers.

- e) **Rural Finance.** The seasonal lending product has been successfully piloted and will be expanded in 2016. Furthermore, to support the provision of mechanized services e.g. in context of the private sector services program, the Project will facilitate provision of finance to service providers for purchase of chisel ploughs, planters and other appropriate machinery.
- f) **Increase the Project area.** The design foresaw that the Project reaches approximately 200 communities where farmers have been already mobilized under previous IFAD projects. Now that the Project is on a sustainable development path, expansion from the current 105 communities is conceivable. This requires that the Project area be widened to Um Ruwaba and Rashad, the forming of two additional local extension teams, and securing their funding from Government counterpart funds.

103. The Government of The Sudan and IFAD endorse the findings of this Supervision Mission

Appendix 1: Summary of project status and ratings

Basic Facts

| | | | | | | | |
|---------------------|--------------------------|--|---------------------|------------|------|-----------------------|------|
| Country | Sudan | | | Project ID | 1612 | Loan/DSF Grant No. | 8094 |
| Project | Seed Development Project | | | | | Top-up Loan/DSF Grant | |
| Date of Update | 21-Dec-2015 | | | | | | |
| Supervising Inst. | IFAD/IFAD | | | | | | |
| No. of Supervisions | 2 | No. of Implementation Support/Follow-up missions | 4 | | | | |
| Last Supervision | MTR, Oct 2014 | Last Implementation Support/Follow-up mission | 27 Jul -13 Aug 2015 | | | | |

| | | | | | USD million | Disb. rate % |
|---------------------|-------------|-------------------|----------|----------------------------|-------------|--------------|
| Approval | 13-Dec-2011 | | | Total financing | 18.26 | 28 |
| Agreement | 24-Feb-2012 | Effectiveness lag | 2.4 | IFAD Total | 10.07 | 55 |
| Entry into force | 24-Feb-2012 | PAR value | ----- | IFAD loan | | |
| First disbursement | 23-Oct-2012 | | | DSF grant | 10.07 | 55 |
| MTR | 28-Oct-2014 | Last amendment | | IFAD grant | | |
| Original completion | 31-Mar-2018 | Last audit | Jun 2015 | Domestic Total | 8.19 | 8 |
| Current completion | 31-Mar-2018 | | | Beneficiaries | 2.47 | 0 |
| Original closing | 30-Sep-2018 | | | Government (National) | 4.14 | 8 |
| Current closing | 30-Sep-2018 | | | Private Sector Local | 1.58 | 0 |
| No. of extensions | 0 | | | External Cofinancing Total | | |

Project Performance Ratings

| B.1 Fiduciary Aspects | Last | Current | B.2 Project implementation progress | Last | Current |
|---|------|---------|---|------|---------|
| 1. Quality of financial management | 4 | 4 | 1. Quality of project management | 4 | 4 |
| 2. Acceptable disbursement rate | 6 | 6 | 2. Performance of M&E | 4 | 3 |
| 3. Counterpart funds | 3 | 4 | 3. Coherence between AWPB & implementation | 4 | 4 |
| 4. Compliance with financing covenants | 4 | 4 | 4. Gender focus | 5 | 5 |
| 5. Compliance with procurement | 3 | 4 | 5. Poverty focus | 4 | 4 |
| 6. Quality and timeliness of audits | 4 | 4 | 6. Effectiveness of targeting approach | 5 | 5 |
| | | | 7. Innovation and learning | 3 | 4 |
| | | | 8. Climate and environment focus | 4 | 5 |
| B.3 Outputs and outcomes | Last | Current | B.4 Sustainability | Last | Current |
| 1. Institutional and Regulatory Environment | 4 | 4 | 1. Institution building (organizations, etc.) | 4 | 4 |
| 2. Seed Production System | 3 | 4 | 2. Empowerment | 4 | 4 |
| 3. Seed Market Development | 3 | 4 | 3. Quality of beneficiary participation | 4 | 4 |
| 4. Project Management and Coordination | 4 | 4 | 4. Responsiveness of service providers | 3 | 4 |
| | | | 5. Exit strategy (readiness and quality) | 3 | 4 |
| | | | 6. Potential for scaling up and replication | 2 | 4 |

B.5 Justification of ratings

Counterpart funds (4) During the year 2015, the government contribution towards recurrent costs has flowed to the project on a regular basis. **Procurement (4)**: The preparation of procurement planning has improved significantly with adoption of a format that allows sensible procurement planning. The PCU has also started to establish a procurement filing system. **Performance of M&E (3)**: Most recommendation from 2014 MTR and 2015 Follow-up missions still need to be acted upon and project M&E databases need to be updated. **Innovation and learning (4)**. SDP has made progress in knowledge sharing and is in the process of developing a KM-strategy. **Seed Production System (4)** has had major improvement since 2015 Follow-up missions with SGGs being linked to PSCs. **Seed Market Development (4)** has taken off this year with promising results of PSCs partnering with SDP in demonstrating crops, varieties and agronomic technical packages to farmers and PSCs indicating interest in continuing this cooperation. **Climate and environment focus (5)** SDP is demonstrating a variety of drought resistant crop varieties and water conservation techniques. **Responsiveness of service providers (4)** SDP has made progress in brokering innovative public-private business relationships between PSCs and MFIs. **Exit strategy (4)**. The sustainability of extension team support to SGGs and GPGs is questionable in view of limited government resources, however the progress in developing PPP is considered to be a positive development. **Potential for scaling up** of the current design is rated at 4 as the development of private sector partnership is promising.

Overall Assessment and Risk Profile

| | Last | Current |
|---|------|---------|
| C.1 Physical/financial assets | 4 | 4 |
| C.2 Food security | 4 | 4 |
| C.3 Quality of natural asset improvement and climate resilience | 4 | 4 |
| C.4 Overall implementation progress (Sections B1 and B2) | 3 | 4 |

Rationale for implementation progress rating

The upgrading of the overall implementation performance rating is a consequence of the progress SDP has made in brokering public-private partnership between the project, PSCs and beneficiaries. Engagement with the private seed companies has increased the potential for a well-functioning seed value chain supply in the project area.

| | | |
|--|---|---|
| C.5 Likelihood of achieving the development objectives (section B3 and B4) | 4 | 4 |
|--|---|---|

Rationale for development objectives rating

The two follow up missions in 2015 resulted in changes to the private sector engagement with promising results with regards to seed production and seed marketing. SDP has also made progress in brokering innovative public-private business relationships between PSCs and MFIs, which supports sustainability of the exit strategy and scaling up of activities. Rural finance activities have taken off with an increase of loans disbursed indicating that the project is on a sound development path.

C.6 **Risks** Short description of major risks for each section and their impact on achievement of development objectives and sustainability

| | |
|---------------------------------|--|
| Fiduciary aspects | Procurement procedures at PCU level have improved, however there were two cases where no objection was not requested, which means procurement procedures are not followed accordingly. Weaknesses related to procurement planning and filing of documents should be addressed. |
| Project implementation progress | The project needs to mobilize new communities to reach the targeted amount of beneficiaries foreseen during design. The preparedness of such communities for the project linkage with private sector actors still needs to be proven. |
| Outputs and outcomes | Quality of ARC participatory research is not clear. Weaknesses in PCS demos are found in the design of plots, application of technical packages, extension support and seed quality. |
| Sustainability | Limited government resources decrease the sustainability of services provided by the extension teams. |

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

| Narrative Summary | Verifiable Indicators | Means of Verification | Assumptions |
|---|---|---|---|
| COSOP Goal | | | |
| Food security, incomes and resilience to shocks of the smallholder producers (including youth and women) in rainfed areas of North and South Kordofan improved. | -Prevalence of malnutrition in children under age of five years reduced : rate reduced from 3% to 2% (RIMS) | -RIMS baseline survey and impact survey | -Macro-economic stability |
| | -Improved food security : food insecurity reduced from 55% to 40%.(RIMS) | -Anthropometric and UNICEF periodic surveys | -Contained insecurity events |
| | -Increase in HH asset index : production 5 fed in qoz soils, 3 fed in gardud soils and 10 fed in clay soils doubles. | -Official gvt. statistical yearbooks; censuses | |
| | | -HH income and expenditure surveys | |
| Development Objective | | | |
| Increased crop productivity for 69,000 smallholders using certified and improved seeds in North and South Kordofan | 100% increase in the yields for 75% of GPG members applying the full package of agricultural practices recommended by project, as compared to the baseline: NK: Sorghum 155 kg/fd; Millet 125 kg/fd; Sesame 204 kg/fd; Groundnut 171 kg/fd SK: Sorghum 313 kg/fd; Millet 147 kg/fd; Sesame 349 kg/fd; Groundnut 188 kg/fd | -Baseline survey, Mid Term Review (MTR) and completion assessments | -Expanding access to input suppliers, extension advisory services, credit and insurance |
| | -45,000 smallholder men and 19,000 smallholder women reporting increase in yields for all crops disaggregated by gender (RIMS) | -Ministry of Agriculture crop cutting surveys and annual crop assessment | |
| | | -Agricultural Research Corporation (ARC) and National Seed Administration (NSA) reports | |
| Component 1 – Strengthening and Development of Institutional and Regulatory Environment | | | |
| Outcome: Conducive policy and institutional environment for the seed industry in place | -By laws of Seed Act 2010 in place by mid-2012 and fully enforced by 2012 | Client survey | -NSA operates in an autonomous way |
| | -Operational self-sufficiency for FSA by 2014 (RIMS) | Institutional performance assessment | -Gvt phases out distribution of free or subsidized seeds |
| | | Record on law enforcement | -Seed policy for the UN agencies operating in Sudan is harmonized |
| Outputs | | | |
| 1.1 Plant variety protection legislation drafted, approved and enforced. | -PVP legislation promulgated by end 2012. | -Legislation document | -Seed Council is timely appointed by the Government (target date: end 2011). |
| 1.2 Federal Seed Administration (FSA) is capacitated to effectively monitor the | -70 FSA staff and extension agents trained (RIMS), 30% women | -National Seed Administration activity report on number of seed crop fields certified per | |
| | -1 central laboratory at the Federal level accredited to the | | |

| Narrative Summary | Verifiable Indicators | Means of Verification | Assumptions |
|--|---|---|--|
| multiplication and certification standards. | International Seed Testing Association (ISTA) standards by 2014. | year, number of seed samples tested per year, no. staff trained per year | |
| | -2 laboratories established and equipped in North and South Kordofan States. | | |
| 1.3 Multi-stakeholder policy dialogue, with participation from youth and women in seed sector is established. | -Bi-annual forums convened regularly from 2012 at National and State levels. | -National seed policy document | |
| | -At least 50 persons attend each multi-stakeholder forum. | -Proceedings of bi-annual meetings | |
| Component 2 -Improvement of the Seed Production System | | | |
| Outcome: An economically viable seed production system that meets farmers' expectations and demands in place | -8 SGG operational in 2014; 12 SGGs operational in 2017 | -Surveys at MTR and completion | |
| | -4 medium sized farmers operational in 2017 | | |
| | -Cash returns per seed growing Hhd reach SDG1700/Hhd/yr in 2014 and SDG 2800/Hhd/ yr in 2017) | | |
| Outputs | | | |
| 2.1 ARC capacitated for implementation of participatory breeding research | -Appropriate sorghum seed variety and cultivation practices for gardud soils tested and ready for dissemination by 2014 | -ARC reports on number of varieties released per year and maintenance record of released varieties | Procedures for ARC-ASARECA collaboration timely implemented |
| | -At least 1 new variety of millet in NK, and sesame for NK and SK | | |
| | -Number of participatory research committees in place for ARC stations in El Obeid and Kadugli. | | |
| 2.2 High quality and sufficient quantity of breeder/foundation/registered seeds produced by Agricultural Research Corporation (ARC). | -Production of 23 MT of registered seeds in 2012, 90 MT of registered seeds produced for 2013 and 2014. | -ARC activity report on breeder/foundation/registered seed production statistics for the two States; frequency of varietal replacement in the national varietal catalogue; record of national seed standards in project years | ARC adequately equipped to produce sufficient quantities of breeder & foundation/registered seed |
| 2.3 The extension system is strengthened to support target seed producer enterprises. | -30 men and 15 women extension agents trained on seed production and marketing | -Project monitoring reports | Sufficient human resources for two 4 member team mobilized |
| | -one operational/field manual developed and distributed to 12 seed grower groups | | |
| 2.4 Seed growers are enabled to produce certified seeds of improved and traditional varieties. | -400 MT of certified seeds produced by 2017 | -Baseline survey, MTR and completion assessments | SGG and seed companies adhere to respective contractual obligations |
| | -100 women and 220 men accessing advisory services for seed production by 2017 (RIMS) | -Project monitoring reports on quantity and quality of seed produced by groups in project years | |
| Component 3 -Support Seed Market Development | | | |
| Outcome: Improved seed supply system with improved market delivery mechanisms in place. | -483,000 fed cultivated with certified and/or improved seeds in the project area in 2017 (RIMS) | -Baseline survey, MTR and completion assessments | Seed companies able to mobilize SDG 6 million for scaling up phase |

| Narrative Summary | Verifiable Indicators | Means of Verification | Assumptions |
|--|--|---|---|
| | -15,000 farmers use certified and/or improved seeds and SWC by 2017; 30% women (RIMS) | | |
| Outputs | | | |
| 3.1 Marketing of certified seeds to smallholder producers established | -Number of farmers reached through the PSC marketing: 10 500 in 2014 and 69 000 in 2017 ; with 30% women | -Client survey for farmers | |
| 3.2 Farmers empowered to use certified and improved seeds and improved techniques. | -Demand for certified and improved seeds reaches at least 483,000 feddan at the end of 2017. | -Baseline survey, MTR and completion assessments | Farmers access to credit and insurance facilitate purchase of certified seeds |
| 3.3 Increased access of farmers/ grain producers to credit and microfinance | -ABSUMI branch operational in Sheikan in 2012; and ABSUMI branches operational in Abu Gibeiha and El Rahad by 2017). | -Records from Bara'ah, ABSUMI, ABS and other banks | MoU signed between PCU and banks/ MFI to facilitate access of farmers/grain producers to micro-credit SDG 500-600/ loan |
| | At least 7,200 production loans disbursed in 2017 | -Records from Sheikan Insurance Co. - ABSUMI records | |

Appendix 3: Summary of key actions to be taken within agreed timeframes

| Action Area | Agreed actions | Responsibility | Agreed date | Progress |
|-------------|--|-----------------------------------|----------------------|----------|
| Component 1 | Complete review of the National Seed Policy and prepare the final policy document for ratification by Government. | PCU/NSC/MoA and State Governments | 01-Mar-16 | |
| | Prepare for the next seed policy forum at which the implementation of the policy will be discussed. | PCU/NSC/MOA | 15-Apr-16 | |
| | a) Seek clarification from the government on its intentions with regard to UPOV membership; b) advise on the preparation of a new PVP law which will enable Sudan to apply for UPOV membership. | PCU//NSC/FSA/MoA | 01-Mar-16 | |
| | | PCU/IFAD | 01-Apr-16 | |
| | Produce an operations manual detailing their participatory approaches, including criteria to be used with communities to evaluate the trials. | ARC | 15-Mar-16 | |
| | ARC develops with the PCU a protocol for the process of selecting new demonstrations/trials and for evaluating the crops during and at the end of the season, with a particular focus on collecting and analysing sex dis-aggregated data. | ARC | End February 2016 | |
| | Distribute the article of the baseline data that was recently accepted for publication. | ARC | End December 2015 | |
| | Distribute the report on the 2015 on-station and participatory research results for review. | ARC | End March 2016 | |
| | Extension teams use improved FaaB curriculum (see below) to review the seed production season with the SGGs to determine successes, profits made, challenges in linking to the PSCs etc. | FaaB Team | End of March 2016 | |
| | Conduct a survey to track the final destination of the purchased certified seed, number of beneficiaries and area planted. Explore feasibility to hire undergraduate students to conduct the survey. | M and E Team | End January 2016 | |
| | Prepare and distribute the operational field manual to all SGGs. | PCU | 15-Mar-16 | |
| | Review the effectiveness of the extension team and suggest changes needed, if any. | PCU | End of February 2016 | |
| | Review how best to utilise the trained sub-team to provide TA to the broader SDP program. | PCU | End March 2016 | |
| | Assist RANS to obtain marketing finance from ABS or other sources. | PCU Rural Finance Specialist | End March 2016 | |
| Component 2 | Consider support for Nile Sun planned establishment of seed processing facility in SK, possibly through the innovation support grants. | PCU, Seed Specialist | End June, 2016 | |
| | Retain international PPP consultant to advise and coach local FaaB consultant. | PCU | End February, 2016 | |

| Action Area | Agreed actions | Responsibility | Agreed date | Progress |
|-------------|---|---|------------------------------------|----------|
| Component 3 | Strengthen SGG FaaB curriculum and training for SGGs to incorporate analysis of PSC contracts versus local sales. | FaaB consultant | End March 2016 | |
| | Train ToT, extension team members and farmer groups before the 2016 season. | FaaB consultant | End May 2016 | |
| | Retain an additional local part-time FaaB consultant to accelerate dissemination of FaaB training. | PCU | End February, 2016 | |
| | Develop service provider training modules for mechanized services, spraying services, and agro-dealers. | FaaB consultants, | End March 2016 | |
| | Merge the FFS and FaaB curriculums into one FaaB manual and update the FaaB workplan. | FaaB consultant | End January 2016 | |
| | Complete FaaB training. | FaaB consultant | End May 2016 | |
| | Complete draft of Manual and Farmer Handbook. | FaaB consultant | End May 2016 | |
| | Revise and complete Manual and Handbook. | FaaB consultant | End February 2017 | |
| | Continue and expand PSC demonstrations, incorporating recommendations proposed in the Service Provider section. | PCU, Seed Specialist | Planning to begin in December 2016 | |
| | Provide advocacy to PSCs members of ICRISAT consortium to ensure their access to sorghum germplasm. | PCU | End February 2016 | |
| | Review the effectiveness of the LETs and suggest changes needed, if any. | PCU | End of February 2015 | |
| | LETs should no longer be involved with direct service provision for SDP demos or input distribution for SDP demos, and should focus on implementing the Service Provider program. | PCU, NK and SK LET teams | Immediately | |
| | Amend Financing Agreement to include Rashad and Um Ruwaba in the Project area; form two LETs to commence extension activities in these localities. | Recipient, IFAD | 15-Feb-16 | |
| | Review the effectiveness of the extension team and suggest changes needed, if any. | PCU, NK and SK ministries | End of February 2016 | |
| | Develop a plan to consolidate PSC and SDP demonstrations into a unified SDP seed, input, and mechanized services demonstration program. | Seed Specialist with NK & SK focal points | End of February, 2016 | |
| | Recruitment of a service provider national consultant to implement programme under direct supervision of the seed specialist. | PCU | Start recruitment Jan 2016 | |
| | PSC partnership discussions. | International PPP consultant, Seed Specialist | Start December 2015 | |
| | Identify and train MSPs and SSPs. | PCU, SP consultant, LETs | Feb to Apr 2016 | |
| | Identify Agrodealers. | PCU with PSCs, SP consultant, LETs | Mar to July 2016 | |
| | Develop training modules for MSPs and SSPs. | SP consultant | Jan-Mar 2016 | |
| | Develop training modules for agrodealers. | SP consultant | Mar to July 2016 | |

| Action Area | Agreed actions | Responsibility | Agreed date | Progress |
|-------------|--|---|--|----------|
| | Negotiate MSP and SSP contracts for SDP demos. Develop ICGP grants manual. Public solicitation and review of ICGP proposals. Award and implementation of proposals. Local consultant team to agree to provide support to an international consultant; contract int'l consultant to complete VCS with support of national consultant team; hold VCS workshops in Khartoum and El Obeid; disseminate results. | PCU SDP with support from IFAD SDP with IFAD and GOS SDP with IFAD PCU, Local value chain consultants | Apr-16 End April 2016 End June 2016 August 2016 and on 30-Apr-16 | |
| | Disbursement of minimum 2,000 seasonal loans (SDG 2.5 mn) in the project in 2016 with 70% disbursement in SDP villages and 30% non-SDP villages. | ABSUMI Units / Bara'ah managers in coordination with SDP extension teams and RF specialist | 1 May – 31 Oct'16 | |
| | Train 5-6 Credit Officers from Bara'ah and each ABSUMI unit in relevant agronomic packages. | ABSUMI/Bara'ah in coordination with LETs and SDP RF specialist and SDP LETs | 30-Apr-16 1 May-31 Dec'16 | |
| | Conduct SDP demonstrations in the non-SDP villages. Increase loan ceiling to SDG 1,500 for repeat clients. Maintain SDG 1,000 for new clients. Establish insurance linkage to all ABSUMI and Bara'ah clients. | SDP/ABSUMI/Bara'ah management and credit officers SDP RF expert in coordination with /ABSUMI/Bara'ah SDP RF specialist in coordination with LETs and ABSUMI | 30 Jun'16 30 Sep'16 30 Jun'16 | |
| | Disbursement of seasonal loan by ABSUMI will be conditional to the prior implementation general ABSUMI savings and credit products to women's groups in any villages. Identify 1-2 SSP, agrodealers and 3-4 SSP, agrodealers per locality, assist in developing their business model and facilitate loan proposal development and submission to ABS. | SDP RF specialist in coordination with /ABSUMI/ABS | 30 Apr'16 | |
| | Facilitate seeds purchase by Bara'ah for selling to seasonal loan clients in May-Jun. | SDP RF specialist, LETs | 15 Feb'16 | |
| | Facilitate musharka grain marketing product implementation by Bara'ah through operations support, training of relevant staff and logistic support. | Coordinated by SDP RF specialist | 30 Oct'16 | |
| | Provide relevant office equipment and furnishing support to the ABSUMI branches. | Coordinated by SDP RF specialist | 30 Apr'16 | |
| | Link seasonal loan clients to grain purchase by ABS at harvest at higher than market price as declared in ABS annual policy 2016. | SDP/ABSUMI/ABS | 30 Dec'16 | |

| Action Area | Agreed actions | Responsibility | Agreed date | Progress |
|---------------------------------|--|-------------------------|----------------------|----------|
| Project implementation progress | Form two separate coordination committees: one for SDP and another for WSRMP and the ABSUMI Grant, with a composition and specialisation that matches the requirements of each project. | PCC | Immediate | |
| | Conduct the survey on i) effective seed demand to measure rate of adoption of improved seed in GPG communities; ii) informal seed dissemination and local sales; and iii) including a section on constraints in the application and use of the technical packages. | PCU Senior M&E Officer | 15-Feb-15 | |
| | Finalise the selection of RIMS outcome indicators. | PCU Senior M&E Officer | 31-Dec-15 | |
| | Conduct the Annual Survey for the season 2015 for GPGs, SGGs and demonstrations. | PCU Senior M&E Officer | 31-Jan-15 | |
| | Finalise the seed market database based on sample provided by the mission. | PCU Senior M&E Officer | 28-Feb-15 | |
| | Adjust and update the GPG, SGG databases and develop a demonstration database. Update the Areas database. | PCU Senior M&E Officer | 31-Jan-15 | |
| | Develop the M&E plan. | PCU Senior M&E Officer | 01-Apr-15 | |
| | Set up the GIS system to monitor location of project key activities, such as GPGs, SGGs, lending groups and demonstrations. | PCU Senior M&E Officer | 01-Apr-15 | |
| | Send 2016 AWPB to IFAD. | PCU Coordinator | 31-Dec-15 | |
| | Conduct e-learning training (finance and procurement modules) for PCU finance/admin staff. | Related staff/PPC | 15-Mar-16 | |
| | Conduct short training for finance staff to enable simple trouble-shooting on FM system. | FM staff/PPC | 15-Jan-06 | |
| | Prepare and submit semi-annual financial report to IFAD. | FC/PPC | 15-Jul-16 | |
| | Update assets register and undertake physical inventory at PCU and SCU level. | Admin officer/PPC | 15-Jan-16 | |
| | Prepare and submit next year AWPB early enough to ensure early approval by IFAD. | PCU/PPC | 15-Oct-16 | |
| | Obtain and record figures of customs duties/tax exemptions. | PCU/MoFEP | Jan 2016/continuous | |
| Fiduciary aspects | Maintain separate records for Seed proceeds/costs. | FC/PPC | Jan 2016/continuous | |
| | Prepare and submit FS to enable early start of audit exercise. | FC/PPC | 15-Feb-15 | |
| | Use Standard Bidding Document for shopping for the local shopping transactions. | PCU Procurement Officer | Immediately | |
| | Adhere strictly to IFAD guidelines with regard to shopping, direct recruiting and selection of consultants. | PCU Procurement Officer | Immediately | |
| | Update the procurement plan on a continuous basis. | PCU Procurement Officer | 20 Dec.2015, ongoing | |
| Procurement | Finalise recruitment of additional procurement officer at the CCU. | CCU Coordinator Officer | 1 Jan. 2016 | |
| | Update the register of contracts to contain all important information. | PCU Procurement Officer | 1 Feb. 2016 | |
| | Extend the filing system to include procurement transactions from previous years . | PCU Procurement Officer | 01-Mar-16 | |

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

| Activity | Unit | Overall Project Target | Total Progress (May 2012 to Oct 2015) | % | AWPB 2015 Plan | Actual (Jan - Oct 2015) | % |
|--|--------------|------------------------|---------------------------------------|------|----------------|-------------------------|------|
| Component I: Institutional and Regulatory Environment Strengthening and Development | | | | | | | |
| Refurbishment of Central Laboratory | number | 1 | 1 | 100% | 0 | 0 | 0% |
| Plant variety protection legal expert (IC) | person/month | 2 | 0 | 0% | 0 | 0 | 0% |
| Plant breeding strategy developed (IC) | person/month | 2 | 0 | 0% | 0 | 0 | 0% |
| Seed Policy Consultant (IC) | person/month | 1 | 1 | 100% | 1 | 1 | 100% |
| Support Annual Forum (International Consultant) | person/month | 1 | 0 | 0% | 1 | 0 | 0% |
| Plant breeding strategy developed (National Consultant) | strategy | 3 | 0 | 0% | 3 | 0 | 0% |
| Seed Policy Development (National Consultant) | person/month | 2 | 2 | 100% | 1 | 1 | 100% |
| Development of FSA lab manual (national Consultant) | person/month | 4 | 0 | 0% | 4 | 0 | 0% |
| Crop seed technology course for developing countries | trainee | 2 | 0 | 0% | 0 | 0 | 0% |
| Protection of new plant varieties, breeders' rights | trainee | 2 | 0 | 0% | 0 | 0 | 0% |
| PVP Legislation Consultative Workshop | workshop | 1 | 1 | 100% | 0 | 0 | 0% |
| PVP training for breeders and NSA staff | workshop | 1 | 0 | 0% | 0 | 0 | 0% |
| Seed Health Testing Course | trainee | 2 | 0 | 0% | 1 | 1 | 100% |
| ISTA laboratory quality assurance | trainee | 2 | 2 | 100% | 1 | 1 | 100% |
| Train SA staff - inspectors and seed analysts | workshop | 6 | 2 | 33% | 1 | 1 | 100% |
| Training of Trainers on Seed Technology | trainee | 2 | 1 | 50% | 2 | 1 | 50% |
| Computer training & specialized software | course | 1 | 0 | 0% | 1 | 0 | 0% |
| Facilitate the convening of a national bi-annual forum | forum | 12 | 0 | 0% | | | 0% |
| PVP Legislation Consultative Workshop | workshop | 1 | 0 | 0% | 1 | 0 | 0% |
| Annual subscription – ISTA | per annum | 6 | 3 | 50% | 1 | 1 | 100% |
| Participation in international Fora and ISTA workshops | participant | 6 | 4 | 67% | 5 | 4 | 80% |
| National Forum | forum | 5 | 2 | 40% | 1 | 1 | 100% |
| Thematic seminars, and workshops | per annum | 24 | 11 | 46% | 3 | 3 | 100% |
| Rehabilitate offices and staff accommodation | number | 2 | 1 | 50% | | | 0% |
| Seed health testing | course | 2 | 2 | 100% | 1 | 1 | 100% |
| Tetrazolium test | course | 2 | 0 | 0% | 1 | 0 | 0% |
| Seed pathology | course | 2 | 2 | 100% | 1 | 1 | 100% |
| Seed processing | course | 2 | 2 | 100% | | | 0% |
| Seed Technology | course | 2 | 2 | 100% | 1 | 1 | 100% |
| Traditional seed testing | course | 2 | 2 | 100% | | | 0% |

| Activity | Unit | Overall Project Target | Total Progress (May 2012 to Oct 2015) | % | AWPB 2015 Plan | Actual (Jan - Oct 2015) | % |
|--|--------------|------------------------|---------------------------------------|------|----------------|-------------------------|------|
| Training of NSA staff out posted to state level - laboratory staff | course | 2 | 1 | 50% | | | 0% |
| Training of State Seed Unit staff – Internal | course | 2 | 2 | 100% | 1 | 1 | 100% |
| Facilitate the convening of a state forum | forum | 6 | 0 | 0% | 1 | 0 | 0% |
| Component II: Improvement of the Seed Production System | | | | | | | |
| Renovate breeders' seed storage at ARC | number | 2 | 2 | 100% | | | 0% |
| Crop Breeding - External (ARC) | course | 1 | 1 | 100% | | | 0% |
| Water harvesting techniques - External (ARC) | course | 1 | 1 | 100% | | | 0% |
| Participatory research - External (ARC) | course | 1 | 2 | 200% | 1 | 1 | 100% |
| Participatory research committees formed | number | 16 | 24 | 150% | 16 | 16 | 100% |
| Participatory research on-farms implemented | number | 60 | 62 | 103% | 30 | 42 | 140% |
| Extension Staff - External training | Trainee | 45 | 28 | 62% | 22 | 22 | 100% |
| Gender mainstreaming in agriculture | course | 2 | 2 | 100% | | | 0% |
| Seed production and marketing practices – Internal | course | 2 | 1 | 50% | 1 | 1 | 100% |
| Best practices in M&E and impact assessment - Internal | course | 2 | 0 | 0% | 1 | 0 | 0% |
| Farming as a business – Internal | course | 2 | 1 | 50% | 1 | 1 | 100% |
| Farming as a business – Internal | course | 4 | 2 | 50% | 2 | 2 | 100% |
| Training of village-based extension staff – Internal | course | 6 | 3 | 50% | 1 | 1 | 100% |
| Information campaigns, awareness raising, media campaign, Gender sensitization | per annum | 12 | 2 | 17% | 2 | 2 | 100% |
| National Exchange visits on successful experiences | tour | 3 | 0 | 0% | 1 | 0 | 0% |
| Training Women farmers in decision making and leadership | workshop | 2 | 0 | 0% | 1 | 0 | 0% |
| Workshop for leaders of seed producer groups | Workshop | 2 | 2 | 100% | | | 0% |
| Number of SGGs formed | number | 32 | 11 | 34% | 1 | 1 | 100% |
| Farmers accessing advisory services for seed production (Men) | number | 900 | 419 | 47% | 150 | 150 | 100% |
| Farmers accessing advisory services for seed production (Women) | number | 380 | 251 | 66% | 50 | 43 | 86% |
| Quantity of certified seeds produced by SGGs | MT | 2 500 | 198.6 | 8% | 150 | 0 | 0% |
| No. of farmers received insurance services | number | 1 280 | 310 | 24% | 193 | 105 | 54% |
| Total funds disbursed by IFAD for crop insurance | SDG '000 | 529 | 42 | 8% | 57 | 20 | 35% |
| Total funds disbursed by GoS for crop insurance | SDG '000 | 694 | 42 | 6% | 113 | 20 | 18% |
| Total funds disbursed by Farmers for crop insurance | SDG '000 | 165 | | 0% | | | 0% |
| Participatory Research expert (IC) | person/month | 2 | 0 | 0% | 2 | 0 | 0% |

| Activity | Unit | Overall Project Target | Total Progress (May 2012 to Oct 2015) | % | AWPB 2015 Plan | Actual (Jan - Oct 2015) | % |
|---|--------------|------------------------|---------------------------------------|------|----------------|-------------------------|------|
| Training need assessment for extension (NC) | person/month | 5 | 4 | 80% | 2 | 2 | 100% |
| Quantity of registered seed produced by ARC | MT | 134 | 8.6 | 6% | | | 0% |
| Component III: Seed Market Development Support | | | | | | | |
| Crop Value chain study and PPP (IC) | lumpsum | 2 | 2 | 100% | 2 | 2 | 100% |
| Rural Finance Expert (IC) | lumpsum | 2 | 1 | 50% | 1 | 1 | 100% |
| Crop Value chain study (NCT) | lumpsum | 1 | 1 | 100% | 1 | 1 | 100% |
| PPP Consultant (NC) | person/month | 7 | 7 | 100% | 7 | 7 | 100% |
| Seed information system/database established (PCU level) | lumpsum | 1 | | 0% | | | 0% |
| Maintenance and updating of MIS (ABSUMI) | lumpsum | 1 | | 0% | 1 | 0 | 0% |
| Seed marketing network training | Course | 2 | | 0% | 2 | 0 | 0% |
| Training of grain producers in agricultural planning by extension teams | campaigns | 6 | 2 | 33% | 2 | 2 | 100% |
| Harvest day | number | 8 | 4 | 50% | 2 | 2 | 100% |
| Training of extension officers in Microfinance – Internal | course | 4 | 2 | 50% | 2 | 2 | 100% |
| Formation of Grain Producers Groups (GPGs) | number | 200 | 151 | 76% | 60 | 46 | 77% |
| farmers in GPGs provided with certified seeds (men) | number | 14000 | 6307 | 45% | 2000 | 1897 | 95% |
| Farmers in GPGs provided with certified seeds (women) | number | 6000 | 1932 | 32% | 400 | 262 | 66% |
| Area cultivated with certified seeds | 000' fed | 400 | 62 | 16% | 20 | 19 | 95% |
| Farmers in GPGs accessing Micro-finance services (men) | number | 14000 | 1322 | 9% | 592 | 531 | 90% |
| Farmers in GPGs accessing Micro-finance services (women) | number | 6000 | 459 | 8% | 362 | 239 | 66% |
| Training of contact farmers | trainee | 400 | 282 | 71% | 84 | 84 | 100% |
| Field demonstration plots | number | 1200 | 687 | 57% | 180 | 165 | 92% |
| Field days | number | 1200 | 164 | 14% | 210 | 102 | 49% |
| Formation and development of savings and credit groups | group | 600 | 151 | 25% | 200 | 151 | 76% |
| Formation and development of Community investment committee | association | 200 | | 0% | 60 | 0 | 0% |
| Internal exchange visits (VSCGs) | visit | 6 | | 0% | 2 | 0 | 0% |
| Documentation of success stories and best practice (VSCGs) | practice | 6 | 2 | 33% | 2 | 2 | 100% |
| Training of community trainers | person | 600 | | 0% | 200 | 0 | 0% |
| Assessment of VSCG | assessment | 3 | | 0% | 1 | | 0% |

| Activity | Unit | Overall Project Target | Total Progress (May 2012 to Oct 2015) | % | AWPB 2015 Plan | Actual (Jan - Oct 2015) | % |
|---|--------------|------------------------|---------------------------------------|------|----------------|-------------------------|------|
| Exposure visit to SCG experience outside Sudan (ABSUMI & Braah) | person | 16 | 12 | 75% | 8 | 12 | 150% |
| Component IV: Project Coordination and Management | | | | | | | |
| Develop KM Strategy | person/month | 2 | 0 | 0% | 2 | 0 | 0% |
| Update Project M&E System Design | person/month | 2 | 0 | 0% | 2 | 0 | 0% |
| Development of computerized accounting system | person/month | 15 | 8 | 53% | 3 | 2 | 67% |
| Technical and thematic studies | person/month | 10 | 7 | 70% | 3 | 2 | 67% |
| Baseline study | survey | 1 | 1 | 100% | | | 0% |
| RIMS Baseline Survey | study | 1 | 1 | 100% | | | 0% |
| Mid-term Review | mission | 1 | 1 | 100% | | | 0% |
| Annual Audit | annual | 6 | 3 | 50% | 1 | 1 | 100% |
| Training for PCU & FP staff (External) | person | 15 | 8 | 53% | 3 | 3 | 100% |
| Training for PCU staff (Internal) | person | 10 | 11 | 110% | 4 | 3 | 75% |
| Annual Project Assessment | per annum | 6 | 3 | 50% | 1 | 0 | 0% |
| Conduct Annual Review and Planning Workshops | per annum | 6 | 2 | 33% | 1 | 0 | 0% |

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier as at 31/10/2015

| Financier | Appraisal (USD '000) | Revised Appraisal (USD '000) | Actual (USD '000) | Committed (USD '000) | Total (USD '000) | Percentage Actual |
|-------------------------------|---------------------------------|---|------------------------------|---------------------------------|-----------------------------|------------------------------|
| IFAD Grant | 10.07 | 10.07 | 4.8 | 0 | 4.8 | 55% |
| Federal Government | 4.14 | 4.14 | 0.3 | | 0.3 | 8% |
| Seed Grower & Grain Producers | 2.47 | 2.47 | | | - | 0% |
| Private Sector Company | 1.58 | 1.58 | | | | 0% |
| Total | 18.26 | 18.26 | 5.1 | 0 | 5.1 | 28% |

Table 5B: Financial performance by financier by component (USD) as at 31/10/2015

| Component | IFAD Grant | | | Government | | | Seed Grower & Grain Producers | | | Private Sector Company | | | Total | | |
|---|-------------------|------------------|-------------|-------------------|----------------|------------|-------------------------------|-------------|------------|------------------------|-------------|------------|-------------------|------------------|-------------|
| | Revised Appraisal | Actual Exp. | % | Revised Appraisal | Actual Exp. | % | Revised Appraisal | Actual Exp. | % | Revised Appraisal | Actual Exp. | % | Revised Appraisal | Actual | % |
| Institutional and Regulatory Improvement of the Seed Production Seed Market Development Support Project Coordination and Management | 1 320 000 | 656 994 | 49.8 | 660 000 | 41 431 | 6.3 | - | | #DIV/0! | - | - | #DIV/0! | 1 980 000 | 698 424 | 35.3 |
| | 1 340 000 | 1 037 622 | 77.4 | 920 000 | 65 156 | 7.1 | 40 000 | - | 0.0 | 1 010 000 | - | 0.0 | 3 310 000 | 1 102 778 | 33.3 |
| | 4 020 000 | 1 387 861 | 34.5 | 2 100 000 | 75 149 | 3.6 | 2 430 000 | - | 0.0 | 570 000 | - | 0.0 | 9 120 000 | 1 463 010 | 16.0 |
| | 3 390 000 | 1 736 167 | 51.2 | 460 000 | 137 566 | 29.9 | - | - | #DIV/0! | - | - | #DIV/0! | 3 850 000 | 1 873 733 | 48.7 |
| Total | 10 070 000 | 4 818 644 | 47.9 | 4 140 000 | 319 302 | 7.7 | 2 470 000 | - | 0.0 | 1 580 000 | - | 0.0 | 18 260 000 | 5 137 945 | 28.1 |

Table 5C: Financial performance including commitment by financier by component (USD) as at 31/10/2015

| Component | IFAD Grant | | | | Government | | | | Seed Grower & Grain Producers | | | | Private Sector Company | | | | Total | | | |
|-----------------------------------|-------------------|----------------------|-------------------------|------------|------------------|----------------------|-------------------------|-----------|-------------------------------|----------------------|--------------------|-----------|------------------------|----------------------|--------------------|-----------|-------------------|----------------------|-------------------------|------------|
| | Appr. | Signed and Committed | Act. As at Oct 31, 2015 | % | Appr. | Signed and Committed | Act. As at Oct 31, 2015 | % | Appr. | Signed and Committed | Act. As at Oct 31, | % | Appr. | Signed and Committed | Act. As at Oct 31, | % | Appr. | Signed and Committed | Act. As at Oct 31, 2015 | % |
| Institutional and Regulatory | 1 320 000 | 6 570 | 656 994 | 50% | 660 000 | | 41 431 | 6% | - | | | #DIV/0! | - | | | #DIV/0! | 1 980 000 | 6 570 | 704 994 | 36% |
| Improvement of Seeds Production | 1 340 000 | - | 1 037 622 | 77% | 920 000 | | 65 156 | 7% | 40 000 | | | 0% | 1 010 000 | | | 0% | 3 310 000 | - | 1 102 778 | 33% |
| Seeds Market Development Support | 4 020 000 | - | 1 387 860.56 | 35% | 2 100 000 | | 75 149 | 4% | 2 430 000 | | | 0% | 570 000 | | | 0% | 9 120 000 | - | 1 463 010 | 16% |
| Project Coordination & Management | 3 390 000 | 6 158 | 1 736 167.25 | 51% | 460 000 | | 137 566 | 30% | - | | | #DIV/0! | - | | | #DIV/0! | 3 850 000 | 6 158 | 1 879 891 | 49% |
| Total | 10 070 000 | 12 728 | 4 818 644 | 48% | 4 140 000 | - | 319 302 | 8% | 2 470 000 | - | - | 0% | 1 580 000 | - | - | 0% | 18 260 000 | 12 728 | 5 150 673 | 28% |

Table 5C: IFAD Grant disbursements (SDR, as at 30/11/2015)

| Category | Category description | Original Allocation | Revised Allocation | Disbursement | W/A pending* | Balance (excluding pending WA) | Percentage disbursement excluding pending WA |
|----------|---|---------------------|--------------------|------------------|----------------|--------------------------------|--|
| I | Civil Works | 150 000 | 150 000 | 126 867 | 8 042 | 23 133 | 84.6% |
| II | Fund | 330 000 | 330 000 | 60 197 | 2 903 | | 18.2% |
| III | Vehicles | 550 000 | 550 000 | 353 022 | - | | |
| IV | Equipment | 760 000 | 760 000 | 385 006 | 51 200 | 374 994 | 50.7% |
| V.a | Technical Assistance - International TA | 220 000 | 220 000 | 47 035 | - | | |
| V.b | Technical Assistance (National) | 1 100 000 | 1 100 000 | 175 158 | 6 642 | 924 842 | 15.9% |
| VI | Training | 1 800 000 | 1 800 000 | 600 283 | 68 338 | 1 199 717 | 33.3% |
| VII | Contracted Services | 210 000 | 210 000 | 180 827 | 7 185 | 29 173 | 86.1% |
| VIII | Recurrent Costs | 630 000 | 630 000 | 695 154 | 127 898 | (65 154) | 110.3% |
| | Initial Deposit | | | 878 809 | | (878 809) | 0.0% |
| | Unallocated | 600 000 | 600 000 | | | 600 000 | |
| | Total | 6 350 000 | 6 350 000 | 3 502 358 | 272 210 | 2 207 895 | 55.2% |

Table 5D: Financial performance by component (SDG) as at 31/10/2015

| Component | Budget Year to date | Actual Year to Date | Variance | % | Budget for Year | Actual year to Date | Variance | % |
|--|---------------------|---------------------|------------------|-------------|-------------------|---------------------|-------------------|-------------|
| Institutional and Regulatory Environment Strengthening | 2 931 400 | 668 359 | 2 263 041 | 22.8 | 3 102 550 | 668 359 | 2 434 191 | 21.5 |
| Improvement of the Seed Production System | 4 455 750 | 1 567 277 | 2 888 473 | 35.2 | 4 974 100 | 1 567 277 | 3 406 823 | 31.5 |
| Seed Market Development Support | 12 450 060 | 3 315 863 | 9 134 197 | 26.6 | 13 417 660 | 3 315 863 | 10 101 797 | 24.7 |
| Project Coordination and Management | 7 660 923 | 4 654 336 | 3 006 587 | 60.8 | 8 520 167 | 4 654 336 | 3 865 831 | 54.6 |
| Total | 27 498 133 | 10 205 835 | 7 292 297 | 37.1 | 30 014 477 | 10 205 835 | 19 808 642 | 34.0 |

Appendix 6: Compliance with legal covenants: Status of implementation

| Section | Covenant | Target/Action Due Date | Compliance Status/Date | Remarks |
|-----------------------------|---|------------------------|------------------------|--|
| Section B.3 and 4 | The PCU shall open and maintain a designated account in Euro for the initial advance and also a project account in local currency. | At the project start | Complied with | Both the designated account and project operating are opened and maintained |
| Section B.5 | GOS is to provide counterpart financing to the project equivalent to USD 3.42 million. This is to cover: duties and taxes USD 1.46 million; insurance premium USD 1.57 million, following GOS policy; and contribution to recurrent costs USD 0.39 million | | Complied with | GOS is fulfilling its commitment regarding duties and VAT as well as contribution toward recurrent cost. However, insurance premium is yet to be covered –as respective activities have not yet materialized. |
| Schedule 1, Para 7 | The project shall be managed by the PCU of WSRMP. The composition of the PCU will be expanded to reflect the technical and financial expertise required to implement the project. The composition of the PCU will be detailed in PIM. | | Complied with | WSRMP PCU is managing the project and composition thereof is detailed in SDP PIM |
| Schedule 1, Para 9 | Project AWPB shall be prepared at locality level at the 3 rd quarter of each year for the following year. The project AWPB shall submitted for IFAD no objection in November of each year | | Not complied with | The project prepares and submits AWPB annual on schedule. In FY 2015 AWPB was submitted late |
| Schedule 1, Para 10 | The M & E system of WSRMP shall be expanded to incorporate the project. The M & E system shall be elaborated in the PIM | | Complied with | The M & E system is fully in place; reporting channeled from CDC to LET team leader, to state focal point M & E and then to PCU for compilation and consolidation. BLS, and RIMS surveys have already been carried out. |
| Schedule 1, Para 11 | The project implementation manual (PIM) shall be formulated, validated by the national and state government levels and submitted to IFAD for no objection within 6 months from the date of entry into force | | Complied with | The PIM draft has been approved by IFAD. The manual has been distributed to different project implementation partners and is now being used in the daily project operations. However, the intended launching workshop was not held |
| GC, Section 7.05 | Procurement of goods, works and services shall be carried out in accordance with the provisions of Recipient's procurement regulations to the extent that such regulations are consistent with IFAD procurement guidelines. Each procurement plan shall identify procedures which must be implemented in order to ensure consistence with IFAD procurement guidelines | | Complied with | |
| GC, Section 8.03 (a) | Progress reports shall be submitted to IFAD on semi-annual basis | | Complied with | Project is submitting progress reports to IFAD on semi-annual basis |
| GC, Section 8.03 (c) | A mid-term review (MTR) shall be carried out jointly by the Recipient and IFAD | | Complied with | Completed in 2014 |

Appendix 7: Knowledge management: Learning and Innovation

Learning and innovation

Regarding knowledge management activities, SDP has organized two field days where a link between SGGs and GPGs with PSCs was established for the first time. Furthermore, contact farmers have established demonstration farms (supported by both SDP and PSCs) where information about seed production, technical packages and agricultural practices was shared with other beneficiaries. The project initiated cross-learning with the SUSTAIN project regarding certified seeds and experiences from service provision and an exposure visit to SUSTAIN is planned for 2016. In the reporting period SDP has completed two planned studies²⁰ and is in the final process of producing six short video films with case studies and lessons learned from SGG activities. SDP staff and partners have participated in two exposure visits to India (seed production, microfinance), specialized KM-, documentation and M&E-trainings in Egypt, Ethiopia and Turkey as well as a Learning Route on the Gender methodology GALS in Uganda. Work has been initiated on establishing a KM-strategy to better coordinate KM-activities.

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| Web-sharing |
| SDP is planning to create a joint webpage with WSRMP. Currently the two projects are using KariaN the webpage of the Ministry of Agriculture in North Kordofan and social media (Facebook and Whatsapp) for knowledge sharing. |
| KM-strategy |
| SDP is planning to develop a comprehensive KM-strategy during 2016. Currently responsibility for planning for KM activities is shared between M&E officers at PCU and state level and leaders extension teams. |
| Photo database |
| Photo database at PCU level and two photo databases at each state level (NK, SK). |
| Learning Routes via Procasur |
| Uganda, Gender and Rural Finance, 2014. |
| Uganda, GALS (Gender Action and Learning System), 2015. |
| Study Tours |
| Ethiopia, Seed production, community development and microfinance, 2015. |
| India, Plant variety, seed production and linkage private seed companies with farmers/producers, 2015. |
| India, Microfinance exposure visit, 2015. |
| Participatory research methodologies (ARC), Ethiopia, 2015. |
| International Workshops |
| UK, Social Return on investment (SROI), 2014. |
| Italy, Fiduciary and procurement, 2014. |
| Turkey, Social Return on investment (SROI), 2015. |
| Egypt, KM-workshop (documentation, lessons learned, data collection) 2015. |
| Thematic workshops and seminars |
| 11 workshops related to strengthening institutional and regulatory framework organized. |
| Farming as a business |
| Two manuals developed (ToT training, Farmers leaders training). |
| Farmer Field Schools |
| Training manual for FFS developed. |
| Harvest field days |
| Two joint SDP PCS harvest field days organized in NK and SK in 2015. |
| Two SDP Harvest days in 2014. |
| Field days/Community exchange visits |
| A total of 164 field days have been organized (102 in 2015). |
| Farmer demonstration plots |
| A total of 687 farmer demonstration plots have been established (162 in 2015). |

²⁰ Study on information about beneficiaries demands and needs requested by PSCs and a study on the assessment of the restructuring of SGGs and GPGs in 2015.

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| Completed studies |
| Study on information needed by PSCs, 2015. |
| Study on GPGs and SGGs restructured, 2015. |
| SROI study |
| Case study: Um Sa'adein Seed Grower Group. |
| Pamphlets |
| Seed development project pamphlet. |
| Local Extension Agent as a pillar of community service pamphlet. |
| Other KM-products and tools |
| Annual strategic implementation workshop. |
| Weekly radio sessions with local radio station and national TV news. |
| Information campaigns among beneficiaries. |